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POLAND AND THE UNITED STATES:
ACHIEVING AMERICAN NATIONAL INTERESTS
IN EASTERN EUROPE IN THE 1990S

By

Paul A. Haynes

September 1990

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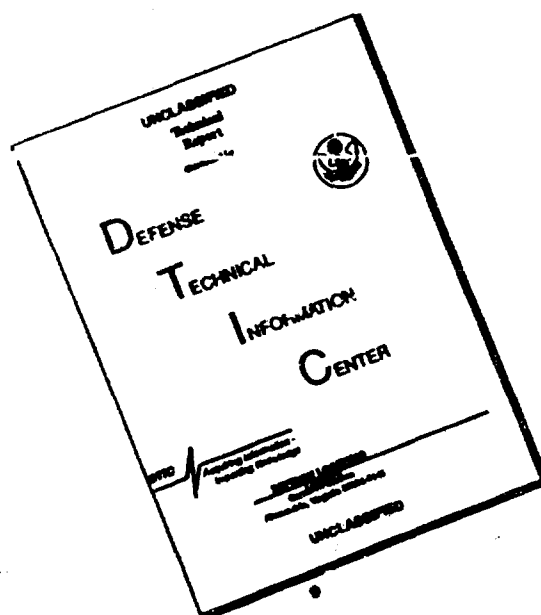
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POLAND and the UNITED STATES:
Achieving American National Interests
In Eastern Europe in the 1990s.

by

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Lieutenant, United States Navy
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ABSTRACT

The analysis in this thesis supports a recommendation to provide Poland \$ 750 million a year in assistance for ten years. This program will allow the Polish government the time required to install a democratic system with a free-market economy. The assistance can be provided by either increasing foreign aid and private business incentives to invest in Poland, or by focusing the majority of the already authorized foreign aid for Eastern Europe into Poland, versus spreading it out over the entire region.

The suggested policy could achieve the following goals: one, reducing Soviet influence in Europe; two, encouraging a Polish government supportive of American foreign policy; three, preventing the growth of popular disenchantment over the immediate results of democratic reforms. Poland as a strong and stable nation will act as a bastion against any future Soviet attempt to regain control of Europe. A weak Poland could ultimately result in a general European conflict and American troops being recommitted to the continent.

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TABLE of ABBREVIATIONS

1. bcm = billion cubic meters
2. CMEA = Council of Mutual Economic Assistance,
also referred to as Comecon
3. NATO = North Atlantic Treaty Organization, Western
Military Alliance
4. NKVD = People's Commissariat of Internal Affairs,
forerunner to the KGB in USSR
5. PUPP = Polish United Workers Party, Communist Party
in Poland
6. SDRP = Social Democracy of the Republic of Poland,
minority splinter party from PUPP formed in
January 1990
7. Sejm = Polish Parliament
8. TR = Transferable Ruble, the trading currency of
CMEA
9. USRP = Social-Democratic Union of the Polish
Republic, majority splinter party from PUPP
formed in January 1990
10. WTO = Warsaw Treaty Organization, USSR and Eastern
Europe Military Alliance

I. INTRODUCTION

A. PURPOSE

Events in Eastern Europe since June 1989 have shaken, if not eliminated, the belief that the USSR can dominate the region. By forcing the Communists to abdicate their monopoly on political power and conduct free and democratic elections, the Eastern Bloc nations have exhibited a desire to achieve independence from Communist control.

The formation of Solidarity in 1980, the first recognized opposition element in a communist country, and the election of Prime Minister Tadeusz Mazowiecki in 1989 confirmed Poland's position as the leader in Eastern Europe's drive for self-determination. However, it remains to be seen if the drive for complete self-determination will be reached, and if so, how the relationship between the East European nations, the Soviet Union and the West will evolve.

Poland's geo-strategic position, military strength, natural resources, and sheer territorial size make it a critical linchpin for the Soviet Union, if Moscow is to retain control over Eastern Europe. Thus, identifying critical links allowing the USSR to dominate Poland is the first step toward determining the possibility of continuing, if not accelerating, the decline of Soviet control.

Once the decisive links have been identified, specific proposals for possible U.S. policies to break the links

between Moscow and Warsaw will be presented. The final objective is to determine if Poland can be used as a role model for developing a democratic system with a free market economy throughout the Eastern Bloc.

Uncertainty about future events limits the scope of this thesis to analyzing the effects in Poland and any possible policy ramifications during the next ten years. Beyond the year 2000 changes in governmental officials, President Bush as a minimum in 1996, precludes any reasonable estimates of acceptable policy agendas. Moscow's actions in Lithuania could be an indication of the limits to the willingness to give up political power under a "liberal" Soviet politician, and Stalin, Brezhnev, and Khrushchev have already shown what a "conservative" Soviet politician consider viable options.

B. TOPICS

Chapter 1 is an assessment of the relationship between Poland and the Czarist Russian state that later evolved into the Soviet Union. The major thrust of this chapter is to identify key issues traditionally dividing Poland and Russia. It is not intended to be an evaluation of the unalterable events or decisions inherited by modern leaders.

This section provides the necessary background for recognizing problems suppressed by the pre-Solidarity Soviet domination of Poland. It is essential to correlate present problems, and problems emerging as autonomy is achieved from Soviet domination, with their non-communist roots. This

perspective is indispensable for segregating American actions into categories germane: first, to reducing Soviet influence; second, to establishing a democratic system; and third, to ensuring regional stability.

Chapters III, IV, and V provide the framework for understanding the current economic, military, and political issues influencing the "new" Polish state. This examination will assess the principle methods that have been used previously by the Soviet Union to ensure a dependency on Soviet supplied materials or support. Once the analysis has established key issues, three alternative scenarios will be fashioned for each area of investigation.

The emphasis of this thesis will be on establishing a dynamic assessment of the evolving situation, comparing the forces for change versus the forces attempting to maintain the present situation. A crucial assumption for the scenario building is an inability to isolate the social changes already occurring from political, economic, and military issues. Each of the scenarios will include possible impediments to their successful implementation and key events that must occur for each alternative to succeed.

C. IMPLICATIONS

The final chapter is an estimation of the most likely future scenario in Poland and recommendations for achieving the United States' national interests in Eastern Europe. In particular the concluding chapter of the thesis will use the

analysis of the earlier chapters to suggest possible strategies for achieving the following national objectives:

1. Democratic Poland with a sound economic foundation,
2. Government with the ability to influence the region without resorting to the use, or threat, of military force,
3. Country with long-term objectives complimenting U.S. national interests in the region.

Poland, as the focal point of the American effort in Eastern Europe, may serve as a role model for other regimes in their struggle to establish non-communist governments. This thesis will also include an appraisal of expected costs and duration of each strategy, and an estimation of the probability of accomplishing the proposed goal.

By examining the economic, military, and political parameters affecting the new Polish government's freedom of action, this thesis is intended to enhance the ability of American planners and policy-makers to shape future events in a country's struggle for a non-communist political system. This research thesis also implicitly addresses the potential nature of future trends in the Soviet Union itself, as the government in Moscow continues to struggle with the changes resulting from Gorbachev's policies of Glasnost and Perestroika.

II. POLAND'S HISTORICAL DEVELOPMENT

This chapter provides a brief historical background identifying the key issues traditionally dividing Poland and its neighboring states. The objective is to separate the emerging dilemmas as autonomy is achieved from Moscow, from those issues suppressed and not caused by Soviet domination. The chapter examines Poland's development by dividing the past 500 years into three sections based on the relative strength of the political systems in Warsaw and Moscow.

The first section assesses the development of Poland in the context of a state struggling to survive in a hostile environment but with a society roughly comparable to the social systems in the region. The second section examines the relationship between the Soviet Union and Poland from the end of World War I, when the USSR acquired a unique political system, until World War II presented Moscow with the chance to install communism in Poland behind the advancing Red Army. The third section analyzes Poland's development as a member of Moscow's alliance system since World War II.

Because the present conditions in Poland are the direct result of policies and events during the period of Communist rule, this section will comprise the bulk of the analysis. The chapter concludes with an assessment of factors that could be critical to Poland's ability to reverse the effects of Communist rule in the next decade.

A. POLAND'S PATH TO INITIAL RUSSIAN DOMINATION

After the consolidation of the Russian principalities into a single state under Ivan III (1462-1505), Poland and Russia struggled to decide which nation would dominate the region. Situated between three hostile empires, Poland could not consistently consolidate national objectives into an enduring foreign policy. The resulting dispersal of effort yielded only transitory and impermanent military success.¹

The Polish nobility refused to surrender its political prerogative to a central authority throughout the 1500 and 1600s. Repeated defeats by smaller nations demonstrated the weakness of the Polish political system. The military success during the final quarter of the seventeenth century failed to arrest Poland's relative decline in the absence of any real unity or national objectives.

Between 1772 and 1795 internal instability and military weakness in Warsaw resulted in the absorption of Poland by Austria, Russia, and Prussia. In the Russian portion of Poland's former territory intense hatred developed between the Poles and their Russian leaders. Being pro-Russian and being a traitor became synonymous among the Polish population.²

¹Alexander Gieysztor and others, History of Poland, 2nd Ed. (Warszawa, Poland: Polish Scientific Publishers, 1979), 146.

²W.F. Reddaway and others, The Cambridge History of Poland 1697-1935 (Cambridge: Cambridge University Press, 1951), 104.

Support for France during the Napoleonic Wars ensured Poland would not be treated favorably by Russia, and revolts in 1830 and 1863 were crushed. Failing to eradicate the idea of an independent Polish state among the Poles, Moscow's plan to "Russify" the population was unsuccessful. Suspicion of Poland prevented even a limited degree of self-government and contributed to the growth of Polish nationalism.³

The outbreak of World War I gave Polish nationalists an opportunity for uniting Poland by force. A declaration promising autonomy became meaningless after Germany drove the Russian army out of Poland in 1914. It was only the collapse of Germany in 1918 and the signing of the Versailles Treaty that gave Poland its independence.

Originally partitioned because of a fear that Poland's instability would spread to Prussia, the final partition was because of a fear that a stronger Poland could present a threat to Russia's European ambitions.⁴ Poland failed to make a sufficient effort to defend itself or solve internal political problems and must assume part of the guilt for being partitioned.⁵ Poland required either the direct support of an external power, or direct competition between its stronger neighbors to exist as a sovereign state.

³Norman Davies, God's Playground a History of Poland, Vol. II (New York: Columbia University Press, 1982), 88.

⁴Christopher Duffy, The Military Life of Frederick the Great (New York: Atheneum, 1986), 263.

⁵Gieysztor, A History of Poland, 333.

B. POLAND'S STRUGGLE TO COEXIST WITH THE USSR (1918-1945)

President Wilson's peace plan called for reestablishing a Polish state. Poland's eastern border was vaguely defined at Versailles, and Warsaw attacked the USSR in April 1920 to regain the frontiers of 1772. Fighting was inconclusive; but the Bolsheviks, attempting to consolidate their power, signed the Treaty of Riga in 1921, moving Poland's border eastward.

The war unified the Polish military, and brought the military within the ruling elite.⁶ An alliance with France provided for military assistance if either Germany or the USSR attempted to revise their frontier with Poland by military force.⁷ The Polish state was unable to solve diverse political and economic problems resulting from the ideological and ethnic disagreements inherited from its former rulers.⁸ A May 1926 coup established an anti-Russian military dictatorship under Marshal Josef Pilsudski.

Poland's policy objectives during the 1930s were to retain its temporary great-power status, threatened by the military recovery of Russia and Germany, and avoid becoming the battle

⁶Andrzej Korbonski, "Civil-Military Relations in Poland Between the Wars: 1918-1939," Armed Forces and Society, Winter 1988, 173-4.

⁷Hans Ross, A History of Modern Poland, trans. J.R. Foster (London: Eyre and Spottiswoode, 1966), 126.

⁸George Kolankiewicz and Paul G. Lewis, Poland (New York: Pinter Publishers, 1988), 10.

ground for Eastern Europe.⁹ The German-Soviet Non-aggression Treaty in August 1939, eliminated Hitler's fear of a two front war. The subsequent German invasion of Poland, supported by a Soviet attack, quickly overran the country and prevented Western intervention.

Divided by the two nations, Poland was subjected to a brutal attempt to obliterate the political, professional and cultural elite by both occupying regimes.¹⁰ With more experience in political extermination, initially the Soviet NKVD proved to be far more destructive than the Gestapo in eliminating the Polish intellectuals.¹¹

Moscow established relations with the Polish government exiled in London after the German invasion. A reconstituted Polish army, recruited from members of the 1939 Polish army, was strongly anti-Russian and anti-communist. Evacuated during the counterattack at Stalingrad, many Soviets consider this an example of Poland's unreliability.¹² Differences between Moscow and the London Poles grew with the prospect of a successful defense against the German invasion.

⁹Max Beloff, The Foreign Policy of Soviet Russia 1929-1941, Vol. II 1936-1941 (London: Oxford University Press, 1949), 74.

¹⁰Teresa Rakowska-Harmstone, Christopher D. Jones, and Ivan Sylvain, Warsaw Pact: The Question of Cohesion, Phase II, Vol. 2 (Ottawa, Canada: Department of National Defence Canada, 1984), 2 & 11.

¹¹Davies, God's Playground A History of Poland, 447.

¹²Alexander Werth, Russia at War 1941-1945 (New York: Carroll & Graf Publishers, Inc., 1964), 637-39.

Berlin reported exhuming thousands of bodies of Polish officers in April 1943. Evidence pointed to an execution during 1940, when the USSR controlled the region. The Katyn Forest incident ended the London Pole-Soviet relationship.¹³ In May 1943 15,000 Polish officers and men from the Soviet army formed a new "Polish" army to offset the political value of Poles fighting in the West. Recruited from areas occupied prior to June 1940 or Soviet citizens of Polish heritage, these soldiers were the "Polish liberators of Poland."

Stalin resolved not to subscribe to the "Riga frontiers" or to accept an anti-Russian Poland following the war.¹⁴ With the Red Army approaching Warsaw in July 1944, Moscow established the "Lublin Committee" to form an "independent," "strong" and "democratic" Poland. This pro-Soviet government contained numerous political parties, but was dominated by former Polish Communist Party members.¹⁵

The London Poles reacted by ordering their resistance forces to "liberate" Warsaw without Soviet assistance to validate their claim of representing the Polish people.¹⁶

¹³In April 1990 the Soviet Union officially admitted for the first time the Soviet Secret police, and not the Nazis were responsible for the deaths. Moscow went as far as supplying a list of names of those buried in the mass grave.

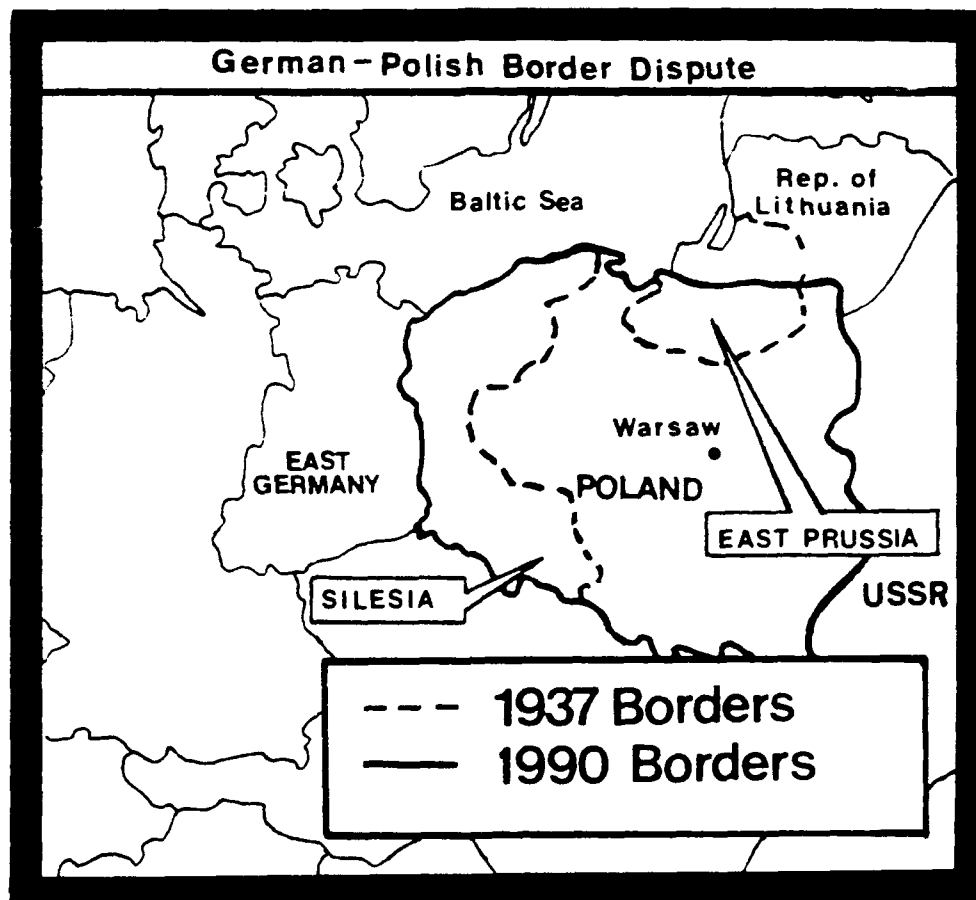
¹⁴Werth, Russia at War 1941-1945, 639.

¹⁵The Polish Communist Party was decimated during Stalin's "Great Purge." Claiming the Polish Party had contained fascist agents, the Comintern dissolved it in 1938.

¹⁶Stefan Korbonski, The Polish Underground State, trans. Marta Erdman (Boulder: East European Quarterly, 1978), 169-71.

Following attacks by the underground forces on 1 August, the Soviets stopped advancing, and refused permission for Allied planes to use Soviet air bases to assist the resistance. During the two month battle over 90 percent of Warsaw was leveled and 300,000 Poles killed; more importantly the leadership corps of the non-communist forces was ravaged.¹⁷

The Yalta Conference established Poland's borders along the Oder-Neisse river in the West and virtually the "Curzon" line in the east. (See Map) Besides being shifted westward



¹⁷Werth, Russia at War 1941-1945, 883.

nearly 150 miles, the new state became almost exclusively a Polish and Catholic population following the war. Poland lost 20 percent of its 1939 territory and six million of the population in the fighting. Only 10.7% of the casualties were from military operations. Today the civilian deaths remain a major factor in the enmity toward the Germans and Soviets.¹⁸

Besides the population losses, Poland lost 38% of its wealth and 50% of its factories during the war.¹⁹ The nation's intelligentsia was decimated: 5,700 teachers killed, 43% of the cultural and educational resources and 60% of the educational facilities destroyed.²⁰ The impact of these losses is strongly indicated when it is noted that in 1939 only 110,000 people had a post-secondary school education.

During the inter war period Poland failed to accommodate either of its stronger neighbors or prevent their collusion against Polish territory. Without military assistance Poland was not capable of maintaining its existence and once again disappeared from the map of Europe. It was only when both of these conditions were reversed that Poland reemerged in 1945.

C. POLAND'S STRUGGLE TO ESCAPE SOVIET DOMINATION (1945-1985)

Following 1945 Moscow stripped Eastern Europe of its industrial resources to replace losses suffered fighting

¹⁸Rakowska-Harmstone, Warsaw Pact, 2 & 11.

¹⁹Kolankiewicz, Poland, 22.

²⁰Zbigniew K. Brzezinski, The Soviet Block (Cambridge: Harvard University Press, 1967), 9.

Germany. Stalin extracted \$14 billion from Eastern Europe between 1945-55, roughly the same amount as West Europe received from the Marshall Plan.²¹ Simultaneously, Moscow was ensuring Eastern Europe would remain dominated by the USSR. Soviet actions provided for the acquisition of territory, maximized Soviet national security, contributed to economic growth, and supported domestic stability.²²

It became increasingly clear the Red Army would ensure that the leaders of the new Polish state would be not only sympathetic to the USSR, but prepared to work under its leadership. Consequently, Poland's communist party grew from 20,000 in July 1944 to over 200,000 in one year.²³ Poland's communist leadership called for land reform and industrial nationalization. These platforms were not radically different from the positions of the other political parties.

The Polish United Workers' Party (PUWP) election in the January 1947 elections finished the process of establishing a completely pro-Soviet government in Warsaw. Soviet Marshal Konstantin Rokossovsky was appointed Minister of Defense and Poland's armed forces were restructured along Soviet lines.

²¹Paul Marer, "The Political Economy of Soviet Relations with Eastern Europe," Soviet Policy in Eastern Europe, Sarah Meiklejohn Terry, ed., (New Haven: Yale University Press, 1984), 156.

²²Valerie Bunce "The Empire Strikes Back: the Evolution of the Eastern Block from a Soviet Asset to a Soviet Liability," International Organizations, Winter 1985, 3.

²³Kolankiewicz, Poland, 14.

It is estimated that 90% of the Officer Corps were Soviet officers and only 4-5% were prewar professional soldiers.²⁴

Higher military education was formalized at university level academies and an armaments industry developed in conjunction with a similar Soviet buildup. Despite the modernization and education programs, military service was not an appealing profession. A lack of economic incentives, harsh training conditions, visible Soviet dominance, and a negative image hampered the recruitment of career soldiers.²⁵

The new economic program included: state ownership of the "means of production," collectivization of agriculture and rapid industrialization programs. Planning emphasized control of private consumption and allowed additional resources for heavy industry. The effects of the Soviet mandated economic model quickly became apparent: "cloning" of East European economies reduced regional flexibility in production, resulting in dependance on trade with the USSR.

Poland's Communist Party leader, Wladaslav Gomulka, had been in the Soviet Union during the 1930s and was determined not to use Stalin's inhumane methods to install communism in Poland.²⁶ Developing along the general Soviet model, Polish leadership retained a nationalistic outlook on sensitive internal issues and attempted to build a "Polish road to

²⁴Rakowska-Harmstone, Warsaw Pact, 63.

²⁵Rakowska-Harmstone, Warsaw Pact, 65.

²⁶Davies, God's Playground A History of Poland, 547.

socialism." However, Gomulka's repeated defiance of the Soviet Union and the Communist International was not tolerated by Stalin; Gomulka was replaced by Bierut in 1948.

Khrushchev's speech denouncing Stalin at the Communist Party Congress in 1956 severely undercut the support for the local leaders installed following the war. All of the Eastern European communist parties were encumbered with the major political liability of widespread popular belief that their ultimate objective was the incorporation of the region into the USSR.¹² In Poland, already split into "Moscow" versus "Warsaw" factions, the sudden loss of Soviet support threatened the PUPP with a loss of political control.

In June 1956 strikes broke out as dissatisfaction peaked over the falling standard of living and the continued Soviet military presence. By October Gomulka had regained control of the PUPP. An uninvited Soviet delegation arrived in Warsaw on 19 October, and defused the situation without the bloodshed that was to occur less than two weeks later in Hungary. Gomulka's return to power was only possible with Moscow's recognition of a need to allow some deviance to ensure domestic tranquility in Eastern Europe.

Moscow allowed local elites to put a distinctive stamp on their countries "road to socialism."¹³ The USSR accepted that Poland was not destroying the political system with the change

¹² Drzezinski, *The Soviet Bloc*, 33.

¹³ Buncie, "The Empire Strikes Back," 2.

of Party leadership, but just modifying it to suit the local conditions.²⁵ This was the first case of the Polish people forcing a change in PUWP leadership "mainly" over a failure of the economy, and not because of political characteristics.

Following Gomulka's consolidation of power, the Polish military was purged of its Soviet officers, including Marshal Rokossovsky. Loyalty to Gomulka and the regime became the key factor for continued military advancement, replacing direct allegiance to Moscow.²⁶ A new independent national Polish military doctrine was formulated to eliminate direct Soviet infiltration, while restructuring the army into a sovereign entity within the socialist coalition.²⁷

A new industrialization drive begun in 1961 expanded the industrial structure by reverting to the pre-1939 economic development strategy. Poland remained economically dependent on the Soviet Union's willingness to continually supply primary products and by the regional redundancy of economic assets.²⁸ The 1950s witnessed a major shift in trade patterns among Comecon members, as the USSR shifted from an importer of Eastern European solid fuels, to a net exporter of both liquid and solid fuels.

²⁵Brzezinski, The Soviet Bloc, 260.

²⁶Rakowska-Harmstone, Warsaw Pact, 67.

²⁷Rakowska-Harmstone, Warsaw Pact, 68.

²⁸Bunce, "The Empire Strikes Back," 12.

Economic reform was begun following the 23rd Congress of the Communist Party of the Soviet Union, and briefly slowed economic stagnation. However, lacking Brezhnev's personal support, the plan was rescinded.³³ Brezhnev's rule was marked by mounting economic problems, declining labor productivity, wasted resources and problems with feeding the masses.³⁴ A similar economic structure, but without the USSR's internal resources, reflected and then internally magnified the problems in Poland.

A slowdown in economic growth throughout the East Bloc began in the early 1960s. Dissatisfaction with a declining standard of living in Czechoslovakia increased until reaching a climax in the spring of 1968. Prospects for independent reform in Eastern Europe were crushed with the invasion of Czechoslovakia by Warsaw Pact forces in August 1968.

Poland's economic position had deteriorated by 1968 and students, encouraged by the initial results of the Czechoslovakian example, challenged Gomulka's leadership position. The use of force provided temporary stability, but it could not rectify the economic problem causing the upheaval: discontent in Eastern Europe was based on comparing

³³Anders Aslund, Gorbachev's Struggle for Economic Reform (Ithaca, New York: Cornell University Press, 1989), 10-13.

³⁴Yuri Andropov, "Speech at Central Committee Plenum," *Pravda*, 23 November 1982, 1.

the present living standard with the West's, and not against pre-communist levels.³⁵

Policies stressing the economy and "consumers" were implemented to placate the masses, not to alter the system.³⁶ A shortage of consumer items, combined with an unexpected rise in food prices in December 1970 caused workers to riot in Gdansk. Equated with an anti-regime revolt, the strife was repressed by the military killing and wounding over 2,000. Gomulka was replaced by Edward Gierek after suffering a "heart attack."

In the aftermath of the army's use of force against the Polish people, morale again plummeted and the army lost some credibility as the defender of the Polish state. Military commanders were removed and replaced by officers who had begun their careers during World War II. The army withdrew from Polish politics and began to reform itself into a professionally competent force in an attempt to regain popular legitimacy.³⁷

The PUWP was once again faced by economic stagnation, a hostile population, distrust of the government's promises of

³⁵Charles Gati, "Soviet Empire: Alive But Not Well," Soviet Foreign Policy in a Changing World, Robbin F. Laird and Erik P. Hoffman ed., (New York: Aldine de Gruyter, 1986), 611.

³⁶J.F. Brown, Eastern Europe and Communist Rule (Durham: Duke University Press, 1988), 8.

³⁷A. Ross Johnson and Barbara Kliszewski, The Polish Military after Martial Law: Report of a Rand Conference (Santa Monica: Rand Corporation, June 1983), v.

reform, and, a general perception of having been installed by the USSR.³⁶ The government implemented economic changes to modernize industry and resource development, but only after rescinding the price increases on meats and fuels and "suspending" a wage bonus plan.

Gierek's reforms attempted to construct a new pattern of social and economic development. Heavily borrowing capital from the West, the program was designed to modernize Poland's economy and gain access to non-communist markets. Hard work, properly rewarded would be the mainspring for economic progress and the route to "rebuild a second Poland."³⁷ It was hoped that simultaneous investment in both the consumer and heavy industries would raise the living standard and boost economic growth.

Benefiting from lower trade barriers, Poland expanded its commercial ties with the West. A mismatch in exports and imports was accepted to trigger an increase in industrial production, and ultimately restore the trade balance at a higher level.⁴⁰ Western technology and credits were used to improve Poland's economy and restore rapid growth.

³⁶Olga A. Narkiewicz, Eastern Europe 1968-1984 (Totowa, N.J.: Barnes & Noble Books, 1986), 65.

³⁷David W. Paul and Maurice D. Simon, "Poland Today and Czechoslovakia 1968," Problems in Communism, Sep-Oct 1981, 30.

⁴⁰Adam Bromke, "A New Junction in Poland," Problems of Communism, Sep-Oct 1976, 3.

Mismanagement and problems in absorbing Western technology resulted in most of the loans being wasted.⁴ Poland's growth rate slowed sharply by 1975 without access to Western markets as a result of the world recession following the petroleum price rise in 1973. The new technology demanded additional Western goods to maintain the equipment, further straining the balance of payment problem. Instead of using the West to reduce the economy's dependency on the Soviet Union, Poland was becoming more dependent on cheap oil imports and a guaranteed Soviet market for its products.

The national budget, strained by the subsidy burden required to maintain artificially low food prices, was running a large deficit, contributing to inflationary pressures. Price reform was required to balance supply with consumer demand. In June 1976 the government drastically escalated food prices. Repeating the events that had led to Gierek's rise to power, workers in several industrial centers rioted, forcing the regime to cancel the necessary price hikes. For the third time in two decades, Polish workers prevented needed economic reform.

What began as a decade of promise was rapidly turning into a disaster: radical measures were required to overcome Poland's lagging economic production. In 1979 Poland's "net material production" decreased 2.5% from the previous year's

⁴George Schoplin, The Soviet Union and Eastern Europe (New York: Facts on File, 1986), 9.

level for the first time during the post World War II period. With the economy continuing to contract by 6.1% in 1980, Western bankers faced with additional Polish loan requests, began to question the nation's creditworthiness.⁴²

The inflexible planned economy, geared to a five year plan and stable prices, prevented Poland's economy from reallocating resources, resulting in a slower growth than the West.⁴³ Poland's government was reluctant to break relations with Western creditors for fear of jeopardizing additional loans, export markets, and confronting international ostracism.⁴⁴ Economic failure removed one of the few available means for legitimizing and supporting the PUWP and directly contributed to social unrest.⁴⁵

In July 1980 the Gierek government attempted to reduce subsidies on food products. Within two weeks individual worker committees organized to coordinate different factories' demands grew into the Solidarity trade union, forcing Warsaw to discuss workers' grievances.⁴⁶ The Gdansk Agreement,

⁴²Brown, Eastern Europe and Communist Rule, 469.

⁴³Hermann Clement, "CMEA Economic Performance in the 1970s," The CMEA Five-Year Plans in a New Perspective (Brussels: NATO, 1982), 31-34.

⁴⁴John Tagliabue, "East Europe's Links to Foreign Creditors Strained," New York Times, 17 January 1988, 8.

⁴⁵Bunce, "The Empire Strikes Back," 30.

⁴⁶Brumberg, The Soviet Union and Eastern Europe, 213.

31 August, legally recognized Solidarity as the first non-communist controlled organization, capable of exerting political and economic power.⁴⁷

The success of the 1980 strike can be attributed to the cooperation of the intellectuals and workers to achieve their objectives; the earlier strikes had been one or the other, but never both simultaneously striking together. Solidarity became progressively more radical until the concessions demanded, if met, would have prevented the regime from remaining communist.⁴⁸

To prevent a possible Soviet invasion, General Jaruzelski declared martial law in December 1981. Military reliability was not seriously tested during the initial enforcement of martial law as elite civilian security forces confronted the demonstrators. The military leadership filled the vacuum created by a disintegration of the PUWP, but only reluctantly to avoid a Soviet attack.⁴⁹ With the imposition of martial law, the Party's leading role in shaping society was no longer guaranteed.⁵⁰

⁴⁷Jan B. de Weydenthal, Bruce D. Porter, and Kevin Devlin, The Polish Drama: 1980-1982 (Toronto: Lexington Books, 1984), 101.

⁴⁸Brown, Eastern Europe and Communist Rule, 10.

⁴⁹Johnson, The Polish Military After Martial Law, v-vii.

⁵⁰George Sanford, Military Rule in Poland (New York: St. Martin's Press, 1986), 198.

The Soviet Union was apparently relieved to have the internal problems in Poland solved without armed intervention, but was worried that the psychological barrier of army intervention had been broken making the return of the army a permanent threat. The army's role was doctrinal heresy and restoring the PUWP's political power was a major Soviet objective as early as January 1982.⁵¹ By letting the Poles do the job of suppressing Solidarity the USSR had less control over the "normalization" process than had been the case in either Hungary or Czechoslovakia.⁵²

Washington and the West responded to the imposition of martial law by stopping all foreign aid and imposing stiff economic sanctions.⁵³ The most painful sanction, and consequently the most effective, was the loss of Western credits. Without hard currency, imports of foodstuffs were reduced by 54% between 1980/81 and 1982/83 directly lowering the already meager living standard of the population.

The Soviets attempted to stabilize Poland with a massive influx of economic assistance. Raw materials and consumer

⁵¹Garton Ash, "Poland and the Alliance," Washington Quarterly, Spring 1982, 139.

⁵²Korbonski, Soviet Policy in Eastern Europe, 88.

⁵³A. Ross Johnson and Barbara Kliszewski, United States Policy Toward Poland (Santa Monica: Rand Corporation, April 1987), 10.

items were double the five year plan's level.⁵⁴ In 1983 Poland's trade deficit with the USSR was equivalent to a \$1 billion loan.⁵⁵ Western sanctions and the coinciding Soviet assistance limited Poland's flexibility to introduce economic reforms not compatible or acceptable to the Soviet Union.

The Polish population under communist and military rule had become strongly suspicious of even well-intentioned reform proposals. Past sacrifices were not seen to have been adequately compensated.⁵⁶ Jaruzelski's government was thus faced with a continuing lack of confidence by a majority of the population. The election of Mikhail Gorbachev to the leadership of the Communist Party of the USSR placed the Polish regime in an awkward position. Failure of economic reforms in Poland could spread to the Soviet Union, damaging Gorbachev's position.⁵⁷

D. CHAPTER SUMMARY

Poland's historical experience during the last 500 years has been a struggle to prevent stronger or better organized

⁵⁴"Vice Minister Hails Soviet Help for Poland," FBIS-EEU, 16 December 1982, G11 and "Planned Polish-Soviet Trade Exchange for 1983." FBIS-EEU, 20 June 1983, G33.

⁵⁵"Features of Polish-Soviet Trade Reviewed," FBIS-EEU, 5 December 1983, G3; "Features of Polish-Soviet Trade Reviewed." FBIS-EEU, 5 December 1983, G3-4.

⁵⁶J.F. Brown, Poland Since Martial Law (Santa Monica: RAND Corporation, December 1988), 15.

⁵⁷Tad Szulc, "Poland's Path," Foreign Policy, Fall 1988, 224.

neighbors from ravaging society. The elite's inability to ban together and place national interests over personal goals, directly contributed to Poland's partitioning.⁵² Unwilling to sacrifice part of their individual powers to the king, the nobles prevented Poland from developing a strong central government to marshal resources efficiently and repulse foreign invaders. Internal political weaknesses prevented Poland from taking advantage of its territorial and population's size advantages. Consequently, Poland became completely dominated by Russia and Prussia by 1800.

Polish nationalism frustrated Moscow's effort to Russify the region but failed to reform a Polish state. It was only the simultaneous military defeat of Poland's stronger neighbors and President Wilson's vision of the future that restored an independent Polish nation.

A weak political system and a failure to maintain a reliable military alliance with an external power prevented Poland from establishing a solid foundation between the world wars. Unable to regain its independence following Germany's aggression in 1939, after World War II Poland reverted to a subservient position vis-a-vis the Soviet Union. Under Soviet domination Poland failed to develop a strong central bureaucracy, or a government with the support of the people.

Regardless of its relative strength, Poland has been unable to unite in a common effort to prevent being dominated

⁵²Reddaway, The Cambridge History of Poland, 139.

by a foreign government. Only with the assistance of a benevolent foreign government, from outside of the region, has Poland been able to exist as an independent and sovereign nation since the end of the eighteenth century. While hesitant to form a united opposition to an invader, the Polish people are unwilling to become docile subjects of a foreign government. Ultimately they hope to achieve their desire for an independent Polish state.

III. ECONOMIC CONDITIONS

This chapter's objective is to examine the economic conditions in Poland, and how the economy will limit the Solidarity government's ability to implement reform programs. Identifying the critical factors, if any, that could allow the USSR to maintain, if not expand, its influence in Poland is the first step toward formulating a comprehensive American policy in Poland. After determining the effect of key issues, three alternative scenarios will be presented.

This chapter primarily focuses on establishing a dynamic assessment of the evolving situation, comparing the forces for change versus forces attempting to maintain the present situation. The conclusion attempts to gauge the most likely future, within the present international situation. The questions to be addressed in detail include:

1. What is Poland's foreign debt to the West and the Soviet Union, and how will the debt restrict the policies of a non-communist government?
2. To what degree is Poland economically dependant on Soviet supplied primary products?
3. What effect will the present low level of product quality have on Poland's ability to quickly enter Western free markets? Specifically, will the Soviet Union retain its position as the main trading partner of the "new" Polish state.
4. Will financial assistance prevent the economy from deteriorating to such a point that Poland becomes unstable, and hence uncontrollable, without resorting to military force?

5. Will Western nations be willing to provide the financial assistance that may be required in part (4) above after the present euphoria is replaced by a demand for a long term program without a guarantee of success?

A. HARD CURRENCY DEBT

Prior to the late 1960s, the "cold war" prevented any significant amount of trade between the East-West blocs. Detente relaxed political tensions and opened up the possibilities for trade. Prime Minister Edward Gierek seized available Western credits and technology as a solution to the economic problems leading up to the unrest that had topple the previous regime. During the first half of the decade the government was able to increase real income while extensively investing capital in heavy industry. However, these goals were accomplished by borrowing heavily from the West. Table 1 indicates the rapid growth in Poland's trade balance and foreign debt with the West, but does not include the \$1.5 billion owed to the Soviet Union.

TABLE 1:
POLISH FOREIGN TRADE AND DEBT 1971-1989 (\$ billion U.S.)

	1970	1975	1980	1981	1986	1988	1989
GNP	34.8	54.7	54.4	51.1	72.8	66.7	N/A
EXPORTS	3.5	10.3	17.0	13.2	11.9	8.3	8.1
IMPORTS	3.6	12.5	19.1	15.2	11.1	7.2	8.0
TRADE DEF.	-.1	-2.2	-2.1	-2.0	+0.8	+1.1	+0.1
DEBT	1.1	10.7	24.6	25.5	35.2	39.2	40.0

Data sources: World Bank World Debt Tables, 1988-89; "GUS Issues 1989 Socioeconomic Report," FBIS-EEU; United Nations Statistical Yearbook, 1985/86.

To further complicate Poland's foreign trade problems is the 6.5 billion TR deficit within CMEA, 94% of which is owed to the Soviet Union.⁵⁹ Payment on the intra-CMEA and hard currency debt have been deferred for 10 years, but Moscow could demand or threaten immediate restitution to control Poland's actions.⁶⁰ Because this deficit is not in a convertible currency, Poland may be faced with having to pay this portion of its debt with a barter-type arrangement.

Poland's slow economic growth in the late 1970s combined with high interest rates prevented export earnings from covering the rising debt payments. The total debt-service ratio in 1979 exceed 100%, forcing the government to reschedule its debt payments. The Polish government has been forced to reschedule part of its debt every year since 1982. In 1985 Poland reached a peak when "profits" from hard currency exports allowed the government to make 75% of its interest payments.⁶¹ Poland's debt in the 1980s has grown as a result of two factors: failing to make interest payments; and, banks rolling over the unpaid balance. It is noteworthy

⁵⁹"Poland Debts Hamper the Economy," Radio Free Europe Research, Polish SR/10, 16 June 1989, 35.

⁶⁰"Solidarity Expert Links Coalition to Foreign Aid." FBIS-EEU, 17 July 1989, 36-7 and "Trade Links Between Poland, USSR Analyzed." FBIS-EEU, 29 November 1989, 76-7.

⁶¹Keith Crane, Polish Economic Policy and Western Economic Leverage (Santa Monica: Rand Corp., July 1987), 4.

that Polish debt has not increased from additional loans injecting investment capital into the country.⁶²

Austerity measures were introduced in 1980 to cut imports and allow the state to pay Western banks (see Table 1). Reducing imports to obtain hard currency and repay the foreign debt squeezed domestic production and investment; the government purchased a current account surplus at the expense of future growth.⁶³ These measures extracted a cost; it was not until 1982 that domestic production exceeded the 1979 level.

B. ECONOMIC DEPENDENCE ON SOVIET PRIMARY PRODUCTS

Poland is self-sufficient in coal, sulfur, and copper but lacks all other industrial primary products. Poland has relied on Comecon for two-thirds of its intermediate raw materials; 70% of which come from the USSR.⁶⁴ Poland is heavily dependent on the Soviet Union for oil and natural gas, but with massive coal production remains a net energy exporter. With energy consumption rising steadily, Poland will have a 3-5,000 megawatt energy shortage by the end of the

⁶²"Article Notes Deterioration in Industry." FBIS-EEU, 18 November 1987, 38-40.

⁶³Keith Crane, The Creditworthiness of Eastern Europe in the 1980s (Santa Monica: Rand Corporation, January 1985), 1.

⁶⁴"Official Press Office Issues Report on 1982." FBIS-EEU, 3 January 1983, G9.

decade if coal production does not increase rapidly.⁶⁵ Natural gas is becoming an important source of energy for Poland as Moscow reduces its oil exports. Heavily relying on the USSR, Poland's imports have increased from 4.0 billion cubic meters (bcm) in 1981 to 7.5 bcm by 1987.⁶⁶ Poland has invested TR930 million in return for a guaranteed 44.6 bcm of natural gas over the next 20 years.⁶⁷ Linked to Soviet natural gas fields, it will be difficult to integrate into a new supply system without aggravating a constrained economy.

The PUWP viewed nuclear power as a method for reducing Poland's dependence on Soviet supplies of oil/natural gas and solving environmental problems related to the coal burning industrial plants.⁶⁸ In 1985/86 Poland's nuclear capability was non-existent, but is expected to reach 15% of all electrical power production by the year 2000.⁶⁹ Delayed by economic problems and the Chernobyl disaster, the first

⁶⁵"Fuel Cuts Highlight Problem in the Energy Sector," Radio Free Europe Research, Polish SR/17, 18 December 1987, 15.

⁶⁶"Natural Gas to Play Larger Role in Soviet Foreign Trade," Radio Free Europe Liberty Research, RL 340/88, 28 July 1988, 3.

⁶⁷"Achievements in Fuel, Power, Supplies Reported." FBIS-EEU, 2 March 1982, G27.

⁶⁸"Nuclear Power in the CMEA Countries: a Case of Misplaced Priorities?" Radio Free Europe Research, RAD BR/104, 19 June 1989, 1.

⁶⁹John M. Kramer, "Chernobyl and Eastern Europe," Problems of Communism, November-December 1986, 41; and "Fuel Cuts Highlight Problems in the Energy Sector," Radio Free Europe Research, Polish SR/17, 18 December 1987, 16.

nuclear power station will not be in service until 1991 at the earliest, a full ten years behind schedule.⁷⁰

C. ECONOMIC CONDITIONS

1. Agriculture

Self-sufficient in agricultural products before 1939, Poland today imports food to make up for chronic production shortfalls. Characterized by small family farms whose average size is only 15 acres, 45% of Polish farms produce nothing for the market. Only 6% of all Polish farms are greater than the minimum acreage (16 acres) required to produce an income level comparable with the urban population.⁷¹

The small acreage of most farms combined with a limited amount of mechanization makes agriculture a key sector for modernization. To encourage efficiency and boost output, the new government has eliminated some food subsidies, raising prices between 40 and 300 percent overnight.⁷² Rural regions fear they will be forced to suffer the burden of economic

⁷⁰"In Poland Second Thoughts About Nuclear Power Plants," Radio Free Europe Research, Polish SR/2, 8 February 1988, 20.

⁷¹Kolankiewicz, Poland, 35.

⁷²John Daniszewski, "Food Costs Skyrocket in Poland," Monterey Herald, 2 August 1989, 4.

reforms while workers and townspeople are cushioned with subsidies.⁷³

Unwilling to sell their products for a loss on a partially closed market, some rural regions have resorted to destroying their produce, while others have gone to a barter system.⁷⁴ The government's economic reform package is intended to give Poland a more market-oriented economy and lower the inflation rate.⁷⁵ Unless farmers respond or drastic action is taken, Poland will have to continue spending export revenues to import food. A continued agricultural deficiency could ultimately undermine any progress made in the government's attempt to overhaul the economy by diverting limited capital from industrial modernization projects.

2. Industry

The Soviet economic model requires large-scale capital, energy, and material investments into heavy industries. However, without access to Western markets Poland could not benefit from the economies of scale required to make the industries profitable. Geared to products sensitive to

⁷³"Private Farmers protests Continue," Radio Free Europe Research, Polish SR/6, 7 April 1989, 36.

⁷⁴"Mazowiecki Government Fights to Keep Poland's Economy Alive," Radio Free Europe Research, Polish SR/15, 12 October 1989, 14; "Private Farmers' Protests Continue," Radio Free Europe Research, Polish SR/6, 7 April 1989, 34.

⁷⁵"Poland Institutes series of wide Price Increases," San Jose Mercury News, 2 January 1990, 5A.

technological progress, the plants must also be continuously modernized to keep operating costs competitive.⁷⁶

Industry is the largest sector of the Polish economy yielding nearly half of all national income. However, 30% of the present industrial complexes were built during the 1950s.⁷⁷ Using Western technology to produce quality goods, Warsaw hoped to reduce its dependency on the Soviet economy in the 1970s. Instead, Poland was incapable of absorbing the new technology; advanced projects either failed to reach completion or operated well below intended capacity. The state's authoritarian system limited the innovation process, preventing most new ideas from being implemented.⁷⁸

Warsaw's ability to import technology will be limited until creditors are confident Poland is a reasonable risk. The required proof of credit worthiness will depend on an ability to repay loans by increasing export earnings. Poland is in a "Catch 22" situation: financial responsibility will require paying off the present debt by importing technology and increasing the competitiveness of export items; but to import technology requires issuing additional loans that

⁷⁶Zbigniew M. Fallenbuchl, "Poland's Economic Crisis," Problems of Communism, March-April 1982, 4.

⁷⁷Kolankiewicz, Poland, 101-2.

⁷⁸East European Economic Handbook (London: Euromonitor Publications, 1985), 165.

require prior demonstration of the exportability of Polish products.

D. FOREIGN AID REQUIREMENTS

Western financial aid will be required for a rapid economic recovery. The Solidarity government has estimated a minimum requirement of \$10 billion in foreign aid over the next three years.⁷⁹ Poland's future economic success depends on access to modern management methods, emerging technology, and an inflow of both small and corporation capital.⁸⁰ With the "iron curtain" gone throughout Eastern Europe, Poland is competing against numerous credit requests. As indicated below, adequate Polish aid is presently not assured.

1. Prime Minister Kaifu departed from traditional Japanese foreign assistance pattern, generally limited to nations in Asia, by pledging \$150 million to a multinational fund to stabilize the Polish economy as part of a \$2 billion package to Eastern Europe. The policy immediately came under attack by Japanese businessman and bankers, since it might not bring any tangible benefits to Japan.⁸¹
2. Congress has approved a \$738 million aid package for Warsaw and Budapest over 3 years, and proposed an additional \$511 million package for all of Eastern Europe. President Bush acquiesced to the initial bill, but expressed concern over its costs and has recommended

⁷⁹John Tagiabue, "Solidarity Plan Seeks \$10 Billion in Aid for Poland's Economy," New York Times, 17 June 1989, 6; "Solidarity Expert Links Coalition to Foreign Aid," FBIS-EEU, 17 July 1989, 36.

⁸⁰"Jaruzelski Addresses World Economic Forum," FBIS-EEU, 5 February 1990, 61.

⁸¹James Sterngold, "Japanese Fault Premier on His Trip to Europe," New York Times, 26 January 1990, 8.

only \$300 million in the new budget request.⁸² Senator Robert Dole has proposed cutting U.S. foreign aid by 5% to the top five recipients, but this plan would only free \$330 million to be applied towards all of Eastern Europe.⁸³ The invasion of Panama and the elections in Nicaragua have created two more strong demands on the foreign assistance available.

3. One billion dollars was been pledged by 24 Western nations toward Poland in November 1989, but the rapid spread of democratic reform throughout Eastern Europe has diluted Warsaw's share of the money.⁸⁴ According to a foreign policy advisor to French President Francois Mitterrand, "the creation of this institution was considered to be a highly symbolic political act by many delegations."⁸⁵
4. The IMF has authorized a 13 month \$710 million loan to help the government combat the inflation problem. Both the IMF and the Polish government agreed that the first step toward economic recovery must be to lower Poland's high inflation rate: 500% inflation in 1989 and 79% in January 1990.⁸⁶

⁸²Robert Pear, "A Broad Program of Aid to Poland is Voted by House," New York Times, 20 October 1989, 1.

⁸³Charles Krauthammer, "Dole's Nonsensical Foreign Aid Proposal," San Jose Mercury News, 23 January 1990, 7B.

⁸⁴Edward Cody and John M. Goshko, "Nations OK \$1 Billion in Polish Aid," Monterey Herald, 14 December 1989, 1.

⁸⁵Edward Cody, "E. Europe Bank Plan Negotiated," Monterey Herald, 16 January 1990, 2.

⁸⁶"Camdessus Calls Agreement With Poland Positive Step Toward Economic Stability," IMF Survey, 8 January 1990, 5; "Retail Prices Rise 78.6% in 1 Month," FBIS-EEU, 16 February 1990, 56.

5. The World Bank has signed loans totaling \$360 million to finance the industrial and food industries, and is negotiating for an additional \$1 billion loan.⁸⁷
6. Chancellor Helmut Kohl offered more than \$1 billion in aid in late October before the Berlin Wall fell. Unification's financial burden on West Germany will limit Bonn's ability to assist Poland's economic restructuring any further.⁸⁸

The previous analysis of the present economic conditions will be used to develop three possible scenarios for Poland. Each of the alternatives are completely independent of the other two and are not subject to events outside of Poland's economic environment.

E. THREE POSSIBLE SCENARIOS

1. Economic Collapse

In this scenario Poland does not receive adequate foreign aid to prevent economic collapse. This scenario is likely if the Polish people are unwilling to support the austere conditions required to restructure the economy and place it on a healthy footing. Failure of past reforms have been caused by a reluctance of the population to renounce: overfull employment with its associated inefficiency, greater

⁸⁷"Mazowiecki Economic Reforms Gain Support Abroad," FBIS-EEU, 21 February 1990, 39.

⁸⁸It is estimated East Germany will need at least \$375 billion to modernize industry and infrastructure and an additional \$100 billion to stop the exodus to West Germany of people crucial to an East German economic recovery. "Bonn Weighs 1-1 Rate on Mark," San Jose Mercury News, 23 February 1990, 1; Alison Smale, "Aged, Dilapidated Infrastructure Stifles Change," San Jose Mercury News, 19 February 1990, 5D.

than single digit inflation for a prolonged period, and an element of political control over the economy to enforce, needed but unpopular measures.⁸⁹

In 1989 Poland's economic production decreased for the first time since 1982. Polls show Solidarity's support at only 48%, already 11% below the November 1989 level; support is not shifting to other parties, people are becoming "undecided or apathetic" towards politics.⁹⁰ This trend contradicts Gorbachev's recent call for mass involvement to overcome the people's alienation from power in Communist societies.⁹¹ Unless these tendencies are reversed, Poland may rapidly proceed down a path of economic collapse to instability.

2. Economic Equilibrium

This scenario assumes Poland will receive an adequate amount of foreign aid to prevent economic collapse. The economy will not achieve a moderate growth rate, instead it will essentially sustain the performance level of the 1980s.

⁸⁹Keith Crane, Polish Balance of Payments and Output in 1990: Alternative Scenarios (Santa Monica: Rand Corporation, November 1985), 7.

⁹⁰"Poll Claims Solidarity Losing Support," FBIS-EEU, 6 February 1990, 57.

⁹¹Mikhail Gorbachev, "Perestroika," Vital Speeches, 15 October 1989, 5.

The standard of living in Poland will remain constant or decrease from its current level.

The numerous changes in Poland's political leadership since 1945 have been more the direct result of economic failure than the political policies of the PUWP.⁹² This does not imply that the people were satisfied with the Communist political system. The Soviet presence and the secret police force allowed the PUWP to contain popular resentment until relative economic deprivation finally overwhelmed the Party's repressive elements.

The Mazowiecki government has implemented a very difficult program which is expected to create the foundations for a market economy; unemployment is becoming a reality and prices have risen, but appear to be stabilizing. Spreading protest, as the measures take effect, could force a repeal and watering down of the reform package: ultimately causing their failure or persistently delaying progress.⁹³

Forty-five years of economic decision making must be reversed; efficient use of labor, material resources, and fixed assets has to become a universally observed rule and

⁹²Narkiewicz, Eastern Europe 1968-84, 71.

⁹³"Coal Miners in Poland Strike for Higher Pay," New York Times, 19 January 1990, 11A; and Steven Greenhouse, "Slow Pace for Reform in East Bloc," New York Times, 29 January 1990. 1C.

something that is considered an everyday chore.⁹⁴ A high level of reliance on Western technology imports is necessary to maintain economic growth in Poland. This will require a satisfactory solution to the debt problem. The agreement to reschedule and only make interest payments for eight years on 25% of the debt is a first step.⁹⁵ To accelerate growth by increasing the input of capital or labor does not appear possible; a rapid growth in productivity is needed for a true economic recovery.⁹⁶

Solidarity's leadership was not prepared to assume power in 1989.⁹⁷ Burdened by central planning and a massive foreign debt, the new leaders must restructure the country's economy before progress will be seen. Investment in the future is the key to getting the correct balance between a country's economic prosperity and wealth.⁹⁸ Shifting to a market economy will not be easy; it will be like taking a

⁹⁴"Politburo Discusses Referendum, CMEA," FBIS-EEU, 4 November 1987, 28.

⁹⁵"Agreement Creates 14-Year Debt Rescheduling," FBIS-EEU, 21 February 1990, 38.

⁹⁶Crane, Polish Balance of Payments and Output, 17.

⁹⁷"Walesa Views Soviet Troop Pullout, Other Issues," FBIS-EEU, 9 February 1990, 64.

⁹⁸Paul Kennedy, "Economic and Military Security," Vital Speeches, 15 July 1978, 597.

polar bear bred for arctic weather and uprooting it to the equator. The bear (economy) ultimately may adjust, but it will take time and a lot of sweat.⁹⁹

3. Economic Success

This scenario predicts a Polish economic recovery with an above average performance and growth rate. The standard of living will increase at a rate comparable with Poland's performance during the first half of the 1970s. Poland will receive financial assistance, either governmental grants or commercial loans, comparable with the level of the Marshall Plan.

The new government must rapidly get the economy back on its feet before popular support subsides in the face of tough economic policies. The January reforms are the first steps toward revitalizing production by balancing the national budget and creating a market-oriented economy.¹⁰⁰ There will be layoffs and bankruptcies as inefficient industries are eliminated and state-owned enterprises are privatized. If unemployment compensation will be financially possible, Poland will have developed a solution to a major economic hurdle.

Poland's prospects for success depend on a pool of educated and trained workers, and a very low living/pay

⁹⁹Marshall I. Goldman, "Outlook is Bleak for Transformation," San Jose Mercury News, 26 February 1990, 6D.

¹⁰⁰"Poland Institutes Series of Wide Price Increases," San Jose Mercury News, 2 January 1990, 5A.

standard holding costs down initially, allowing entry into Western markets. Relaxing Western restrictions on technologically advanced products could accelerate economic progress by improving the efficiency, and more importantly, opening the Polish economy to Western firms with their already established connections on global markets.¹⁰¹ Western investment would bring in resources to renovate aging capital stock, inject up-to-date technology and improve the competitiveness of exports.¹⁰²

F. ANALYSIS SUMMARY

The three scenarios above and the issues assessed in the first section of the chapter will now be used to generate a hierarchy of possible developments within the Polish economy. The likelihood of the individual scenarios were evaluated based on the relative contribution of each question analyzed toward realizing the possible scenario.

1. Hard Currency

Poland's \$40 billion foreign debt is an albatross around the neck of the Solidarity government. Just making the interest payments will require a substantial portion of the profits generated from exports. Diverting the capital away

¹⁰¹Clyde H. Farnsworth, "U.S. Set to Ease High-Tech Curb on Eastern Europe," New York Times, 23 January 1990, 1.

¹⁰²Charles H. Movit, "Radical Steps Could Revive Economies," San Jose Mercury News, 26 February 1990, 6D.

from investment to repay the debt will magnify the problems of converting to a free market economy. To prevent Poland from becoming unstable the West will manage to alleviate some of the debt payments but will probably not underwrite enough of the payments to allow Poland to succeed economically.

2. Economic Dependence

Poland will be able to shift suppliers during the next ten years and minimize their dependence on the USSR. Geographical considerations will probably keep Polish-Soviet trade relations from forcing Poland to completely shift suppliers, i.e., it will still be cheaper to buy Soviet products because of transportation costs being lower. The Soviet Union will not want to allow Poland to completely pull out of the present trade pattern and will take steps to ensure its competitiveness in Poland's free market economy. Success is not likely because the process of shifting suppliers will result in at least temporary supply problems, increasing the already high inefficiency in the Polish economy.

3. Productivity

If only modest success can be achieved in achieving a free market, Poland should maintain its present standard of living. The breakdowns and resistance to changes in Poland and a lack of familiarity with capitalism will stall Poland's drive for a free market in the near term; just overcoming the forty-five year process of being told individual wealth is bad

will take time. Success in the next ten years will probably not be obtained.

4. Foreign Aid

Poland's requests for foreign aid will probably not be met. The collapse of Communist control throughout Eastern Europe as well as the demands of all the Third World nations will prevent an adequate amount of assistance from being obtained by Poland. The West and the Soviets will not want Poland serving as an example of complete failure after economic reforms are introduced, they will find the necessary assistance to ensure Poland does not become unstable. Unlimited global demands and a limited supply of economic assistance will prevent Poland from receiving enough aid to become an economic success. The collapse of communism in Eastern Europe has eliminated their trump card of being the leading country that has rejected Moscow's economic system.

5. Western Support

The arguments for Western support are very similar to the one's presented above. The case of German unification is the only significant difference. France, Great Britain and the Soviet Union are concerned about the future implications for a single Germany. Poland may be used to offset German influence in Central Europe and hence may receive economic support for military and political reasons unrelated to the present situation.

G. CONCLUSION

Poland's history under communist rule is of economic failure leading to political change. A large foreign debt combined with obsolete industrial equipment requires austere financial policies: regardless of the social or economic ideology in the government's top leadership positions. The emotional and unanticipated social changes throughout the East Bloc during 1989-1990 will require time to become institutionalized. This is a necessary condition to ensure follow-on events cannot reverse progress toward a democratic political system. The rapidly changing world political environment has diluted the finite amount of financial assistance that could have been considered realistically available in mid-1989 to facilitate Poland's recovery.

The 1980 workers strike led to the creation of the Solidarity trade union and the workers right to participate in management decisions. A strong union opposed to any reduction in its participation in management decisions might create a situation that limits foreign control of a company, and hence investment in Poland.¹⁰³ The West appears unwilling to provide additional loans to Poland without some assurance that the money will not be wasted as it was in the 1970s.

The lack of an infrastructure to support a free market system, i.e., banks, securities, stock exchanges, etc., will

¹⁰³Robert A. Rankin, "High Stakes in Poland's Gamble to Lure the West," San Jose Mercury News, 26 November 1989, 17.

slow the attempt at eliminating the centrally planned economic system. These tools of capitalism must be created before a free market system can efficiently operate. The West could supply the know how and experience to allow Poland to generate these prerequisites but only if the situation in Poland will support an adequate return on their investment.

The Solidarity government's attempt to make the Zloty fully convertible is almost complete. Combined with a balanced national budget and limited subsidies, Poland maybe on the verge of solving the inflation problem. However, recent strikes by railroad workers and miners could be an indication that the population is unwilling to continue making personal sacrifices in support of the governments policies. A deep recession caused by the immediate effects of the reform package is a realistic possibility.

Presently, the most likely scenario for Poland during the next ten years is one of limited economic recovery, with popular resentment focused against the regime. Western aid will not provide the required assistance to promote prosperity; it will not be so meager as to foster instability or violent internal reactions. The Polish people's tolerance of a mediocre living standard is the decisive factor for predicting the nation's short term economic conditions. Popular strikes might lead to increased financial assistance, but this will be offset by a deterioration in the economic conditions resulting from the work stoppage.

Poland's history of opposition to foreign ownership and domination may restrict the opportunities for investment, especially for the Germans and Soviets. A wave of German investment, especially along Poland's western border, could cause resentment in the government and military. Military opposition to an increased German presence, and hence potential threat, could be the catalyst for action against a weak government beset by economic stagnation.

IV. MILITARY CONDITIONS

This chapter's objective is to examine the military's influence in Poland, and how the military's position may limit, or enhance, the government's ability to implement reform programs. Following the pattern of Chapter III on the Polish economic conditions, three scenarios will attempt to determine the most likely direction of Poland's military based on the present international conditions.

The analysis in this chapter emphasizes an assessment of the forces for change versus the forces attempting to maintain the present situation. The questions to be addressed in detail include:

1. What effect will past Soviet training and selection for advancement of senior military officers have on the Polish military?
2. What is the size and composition of the pro-communist and/or pro-Soviet contingent in the Polish military?
3. What is the military's vision of the "new" Polish state?
4. What are the realistic options and costs for equipping the Polish military in the future?
5. What will be the Soviet position regarding the loss of Warsaw's military forces and possible alliance with the West?

A. TRAINING AND SELECTION

Polish military training has been integrated within the Warsaw Pact military doctrine since the early 1950s. The constant repetition of the assumptions and practices of the

Soviet coalition warfare in military schools and political indoctrination makes it second nature to the Polish career soldiers.¹⁰⁴ The requirement to use Russian as the "command language" constantly reinforces Soviet doctrine on all senior Polish officers. Time in service influences exposure to Soviet military philosophy, and might be an indicator of expected influence on Polish military actions.

The Czechoslovakian invasion was a litmus test for Polish generals, all officers who refused to participate in the operation were forcibly retired.¹⁰⁵ The senior Polish officers are isolated from the population because of their obligation and loyalty to the USSR.¹⁰⁶ The most senior officers entered the military while fighting on the Eastern Front during World War II and can be expected to retire within the next decade. Having apparently accepted the non-communist government's assumption of political power in 1989; it is likely that only a Soviet prompting or a deterioration the nation's stability could provoke this group to attempt a "coup."

Junior officers have lost pride in a military career and a rigorous recruiting program has been instituted to meet

¹⁰⁴Alexander Alexiev and A. Ross Johnson, East European Military Reliability (Santa Monica: RAND Corporation, October 1986), 52.

¹⁰⁵A. Ross Johnson and Barbara Kliszewski, The Polish Military After Martial Law: Report of a Rand Conference (Santa Monica: RAND Corporation, June 1983), 17.

¹⁰⁶J.F. Brown, Poland Since Martial Law (Santa Monica: RAND Corporation, December 1988), 23.

shortages of "suitable" officer candidate applications.¹⁰⁷ A reduction in military strength will result in a smaller but more efficient force, and with the Party still controlling the Ministry of Defense it can be expected that selection of officers will be a carefully made decision.¹⁰⁸ The officers who have entered the military since 1980 have been exposed to the ideals of democracy before entering the service, but are too junior to influence the decision making process.

Middle grade officers will fill the critical positions in the coming decade. These officers were selected by the regime as it attempted to ensure reliability of the officer corps by careful recruitment involving political selection, pre-military training, and substantial material incentives.¹⁰⁹ Since the change of government requests for dismissals have increased as officers seem to feel that an army career is a dead end rather than a challenge.¹¹⁰ The officers remaining in the military could be staying as a result of a sense of patriotic duty and loyalty to the motherland, and hence form the backbone of a future Polish military free of political influence.

¹⁰⁷"Problems Facing Polish Army," Jane's Defense Weekly, 11 February 1989, 232; Brown, Poland Since Martial Law, 22.

¹⁰⁸"CFE Could Lead to Regular Army," Jane's Defense Weekly, 23 December 1989, 1381.

¹⁰⁹Alexiev, East European Military Reliability, v.

¹¹⁰Matthias Plugge, "In Transition: The Polish Armed Forces," International Defense Review, February 1990, 133.

Officer entrants to the Polish military were subjected to one of the most pervasive indoctrination and control systems ever designed.¹¹¹ Most senior officers are eager for political change; but the military is still integrated with the Party, as a political organization, and as an instrument of Party power the military is not prone to change.¹¹² Beginning in early 1990, all political activity in the military was abolished; in the name of preserving combat effectiveness.¹¹³ This action potentially could isolate service members from the effect of external forces and help prolong the Party as the dominate social epistemology in the military.

The very fact that after 40 years of communist rule, military loyalty to the Party is still in doubt testifies to the limited success of the politicization of the Polish youth. From the Party's perspective, the military's record of suppressing internal disturbances is not encouraging: at Pozan in 1956 troops refused to disperse the rioters and some even joined them, in 1970 the army disobeyed an order to use overwhelming force against the demonstrators, and during the price increase protests in Lodz and Warsaw in 1976 Jaruzelski

¹¹¹Alexiev, East European Military Reliability, 28.

¹¹²Plugge, "In Transition: The Polish Armed Forces," 133.

¹¹³"Defense Body Rejects Party Affiliation in Army," FBIS-EEU, 21 February 1990, 45.

is reported to have said "Polish soldiers will not fire on Polish workers."¹¹⁴

In summary, the Polish military appears to be pro-Soviet, but not pro-Party at the senior levels. The junior officers are at least anti-Party, if not anti-Soviet. The conflicting aspirations of the different levels of the military could result in a lack of military action, regardless of the political and economic situation in Poland.

B. MILITARY VISION

The officer purge following the Arab-Israeli 1967 War and the 1968 Czechoslovakian invasion, removed those officers who were not completely loyal to the Party.¹¹⁵ Since the purges, the surviving officers have reached the highest levels in the Polish military. These senior officers in the Polish army have a significant history of supporting the Soviet Union and communism; i.e., "the fewer the stars, the lower the adherence to the communist regime."¹¹⁶

In 1970 the military was willing to use limited force to quell riots and in December 1981 the army effectively broke up Solidarity's organization within two weeks of declaring martial law. Articles in the Polish press prior to, and

¹¹⁴Dale R. Herspring, "The Polish Military and the Policy Process," Background to Crisis, Maurice D. Simon and Roger E. Kanet ed. (Boulder: Westview Press, 1981), 228.

¹¹⁵Kolankiewicz, Poland, 142.

¹¹⁶Johnson, The Polish Military After Martial Law, 22.

immediately after, martial law was introduced strongly tied the military's justification for existing with the preservation of a socialist state.¹¹⁷

The career and economic incentives of a military career have been reinforced by a lifetime of political incentives for these officers. Having had a taste of political power when the country was under martial law, the professional cadre had an enhanced perception of their personal interest in the maintenance of the system.¹¹⁸ It must be remembered that in the 1920s the Polish military staged a successful coup, as a reaction to deteriorating domestic conditions, as they were being forced out of government positions by politicians. Their main objective was to preserve the existing state of affairs.¹¹⁹

Counterbalancing the senior military officers are the mid-grade ranks who have not been fully integrated into the Soviet command structure. These younger officers are more skeptical about loyalty than officers who served in earlier periods of

¹¹⁷"Army Daily Article on State Interests, Soviet Alliance," FBIS-EEU, 13 November 1980, 1-4; "Military Daily Questions Definition of 'Democracy'," FBIS-EEU, 3 December 1980, G20-1; "Army Daily Appeals for End to 'Anarchy', 'Disarray'," FBIS-EEU, 23 December 1980, G16-7.; "Commentary on Need to Restore Milia Credibility," FBIS-EEU, 15 May 1981, G14-5.

¹¹⁸Rakowska-Harmstone, Warsaw Pact, 84.

¹¹⁹Andrzej Korbonski, "Civil-Military Relations in Poland Between the Wars: 1918-1939," Armed Forces and Society, Winter 1988, 181.

communist rule.¹²⁰ Reflecting a change in governments, the military oath changed to "faithfully serve the nation . . . in brotherhood of arms with allied armies," replacing the oath of "defense of the people's government . . . and fraternal alliance with the Soviet army."¹²¹

The military is in a difficult situation. The military will want to ensure it retains its position as the "protector" of the Polish people. As time passes and the present senior officers retire, the Polish military will probably become less pro-Soviet and act in accordance with its view of Poland's national interests.

C. EQUIPPING MILITARY FORCES

Before the options and costs of maintaining the Polish armed forces can be contemplated, the probable threat faced by the nation must be defined. For the purpose of this analysis the external threat faced by Poland may come from a reunified Germany, or ethnic violence along the border with Lithuania and in the Balkans spilling over international borders. Internally the military may be forced to restore public order, using the authority of the elected government, if the economic conditions continue to deteriorate and civil security forces are incapable of dealing with the situation.

¹²⁰Alexiev, East European Military Reliability, 271.

¹²¹"Problems Facing Polish Army," Jane's Defense Weekly, 11 February 1989, 232.

Soviet coalition strategy calls for non-Soviet Warsaw Pact forces is to fight in formations comprising distinct national elements alongside Soviet forces, but not forged into a single army.¹²² This inherited military structure of the Polish army will be adequate to counter the threats posed above. Poland is not strong enough to defend itself against potential German military aggression without the active support of allies; realistically the Polish military must be structured for fighting in a coalition.

The 1950s industrialization effort produced an adequate arms production capacity to supply the Polish military, while allowing for significant military exports. Poland is capable of producing: armored personal carriers, light airplanes, helicopters, self pro-pelled artillery, minor warships, tanks, along with personal weapons and ammunition.¹²³ Between 1981 and 1985 Poland imported \$2.53 billion and exported \$2.65 billion in military equipment and from 1984-88 Poland was the ninth leading exporter of military equipment to the industrial world.¹²⁴

¹²²Ivan Volgyes, "The Warsaw Pact: Change in Structure and Function," Armed Forces and Society, Summer 1989, 556.

¹²³Extracted from SIPRI Yearbook 1989, Appendix C; and Jane's Infantry Weapons 1989-90, 15th Ed., ed. Ian V. Hogg (United Kingdom: Jane's Defense Data, 1989)

¹²⁴World Military and Social Expenditures 1987-88, 12th Ed., (Washington, D.C.: World Priorities, 1987), 12; and SIPRI Yearbook 1989 (New York: Oxford University Press, 1989), 198.

As demonstrated in Table 2 on the following page, the Jaruzelski government continued a commitment to military strength with arms exports during the 1980s.

TABLE 2
VALUE OF POLAND'S ARMS TRANSFERS,
TOTAL IMPORTS, AND EXPORTS
(CONSTANT 1987 BILLION DOLLARS)

Year	1979	1980	1981	1982	1983	1984	1985	1986	1987
Arm Impt	.30	.51	.94	1.1	1.0	.51	1.1	1.2	.73
Tot Impt	27.2	27.0	20.0	17.2	17.9	18.1	18.5	21.9	11.2
Ratio									
Arms/Tot	.01	.02	.05	.06	.06	.03	.06	.05	.07
Arm Expt	.82	1.2	1.3	1.1	1.2	1.2	1.3	1.4	.80
Tot Expt	25.3	24.1	17.1	18.0	18.6	18.9	18.8	22.4	12.2
Ratio									
Arms/Tot	.03	.05	.08	.06	.06	.06	.07	.06	.07

Data Source: World Military Expenditures and Arms Transfers 1988 (Washington, D.C. Government Printing Office, 1989)

The collapse of the Polish economy during the late 1970s and continuing through the 1980s severely limits the state resources that can be allocated for military funding. If Poland is to maintain its current level of military hardware during a period of budgetary restraint, the policy of increasing the active duty troop strength while cutting the reserve strength must be reversed.¹²⁵

¹²⁵Jeffery Simon, "Naot and Warsaw Pact Institutional Developments," NATO-Warsaw Pact Force Mobilization, ed. Jeffery Simon (Washington, D.C.: National Defense University Press, 1988), 36.

In 1989 the defense budget was reduced by 4% and manpower expenditures were cut by 12%, a possible indication of a concerted effort to maintain equipment stocks while reducing the budget.¹²⁶ Table 3 is a comparison of the potential costs associated with reequipping the Polish army over the next ten years based on the army being maintained at the projected force levels achieved with the announced military reductions for 1990. The three sources of suppliers selected, the USSR, the U.S., or a combination of non-superpower nations, covers the spectrum of cost and sophistication available in the arms market. In reequipping the Polish military it is assumed that domestic arms production capability will be maintained, eliminating the need to completely depend on external suppliers for national security.

TABLE 3
REPLACEMENT ESTIMATES FOR POLISH MILITARY EQUIPMENT

Tanks			AIRCRAFT			APC's		
<u>UNITED STATES+</u>								
model	number	cost	model	number	cost	model	number	cost
M-48	1800	1300	F/A-18	350	23750	M-113	1800	495
M-1	300	785	C-130	50	1500	M-2A1	900	1040
Total Cost		28,865						

¹²⁶"Defense Budget Allocations Examined," FBIS-EEU, 8 February 1990, 58; "Two-Year Timetable for Polish Troop Cuts," Jane's Defense Weekly, 28 November 1989, 973.

TABLE 3 (Continued)

USSR#								
T-72	2100	1953	Mig-29	350	8050*	Many	2700	609
			An-28	50	100			
Total Cost		10,812						

VARIOUS SUPPLIERS+

Scorpion			Mirage			N/A
(GB)	1800	1824	2000	350	29167	
Leopard II						
(GER)	300	960				
Total Cost		31951				

Soviet prices in 1988 dollars with a \$1=Z300 conversion rate and prices are for the equipment without the cost of maintenance or arming the weapon system

+ Western equipment prices include the maintenance and training program as well as some armaments for the weapon system

* Mig-29 price is for used version in 1990 dollar price

Data Sources: SIPRI Yearbook 1989; Annual Report to the Congress Fiscal Year 1988; and Douglas Barrie and Joris Janssen Lok, "Western Dealers Seek Soviet Arms," Jane's Defense Weekly, 6 January 1990.

Poland's government is attempting to develop a new military doctrine which will stress cuts in the defense budgets, shifting resources to the civilian sector, and a reduction in the size of the armed forces. This will be combined with a new emphasis on defensive duties and an increase in the portion of military forces designated for internal fronts.¹²⁷ With an army organizational restructuring to make the brigade size unit the basic military building block for combined arms formation already underway, the

¹²⁷"Poland Set to Cut Budget, Force Strength," Jane's Defense Weekly, 9 September 1989, 437.

opportunity to shift suppliers, if desired, is readily available.

Poland's economic ability to reequip its military will be severely restricted during the next decade. A smaller army geared to self-defense, but part of a coalition might allow Poland to reduce its defense spending while maintaining its national security. Without foreign assistance Poland does not appear to have the ability to reequip its forces.

D. SOVIET POSITION

The Soviet Union's renunciation of the Brezhnev Doctrine and apparent acceptance of the political liberation of Eastern Europe must be considered within the security requirements of the Soviet Union. Stalin told Churchill at Yalta: "To Britain, Poland is a question of honor; to the Soviet Union it is a question of both honor and security."¹²⁸ It is hard to understand how the prospect of a unified Germany, domestic economic stagnation, and internal ethnic unrest; combined with an independent and possibly hostile Poland can enhance Soviet security in the near term. In the long-term a resurgent USSR, with mutually sought after links with an independent Poland, conceivably would be in a more secure position.

The Soviet Army's northern group commander, General Dubinin, has been quoted as saying that the Red Army is in favor of pulling out of Poland if the Soviet forces in East

¹²⁸Werth, Russia at War 1941-1945, 974.

Germany are withdrawn.¹²⁹ A Kremlin spokesman has also expressed a willingness to discuss the continued presence of Soviet troops in Poland if the Polish government expressed the appropriate desire.¹³⁰ However, General Jaruzelski and Prime Minister Mazowiecki have called for the Soviet troops to remain in Poland until a treaty providing Poland "adequate" assurances against any possible future German aggression is signed.¹³¹

An uneasy balance of power between the reformist government and the Party has kept the discussion of treaty membership off of the political agenda in Poland.¹³² The WTO was not capable of operating as an extension of the Soviet Armed Forces before 1989, and with the changes of government throughout Eastern Europe the effectiveness of the Pact is significantly lower in 1990.¹³³ Poland's rich martial tradition, large military forces, and strategic position astride the German-Soviet axis could make Poland the front line member of any new military alliance system in Europe.

¹²⁹"Daily Cites Soviet Troop Withdrawal Offer," FBIS-EEU, 21 February 1990, 42.

¹³⁰John Iams, "Soviets Offer to Pull Forces from Poland." Monterey Herald, 12 February 1990, 1.

¹³¹"Jaruzelski Supports Soviet Troop Withdrawal," FBIS-EEU, 13 February 1990, 50.

¹³²"Warsaw Pact Assess the Effects of Reform," Jane's Defense Weekly, 28 October 1989, 925.

¹³³Simon, NATO-Warsaw Pact Force Mobilization, 45.

Allied with the USSR, Poland provides access to Central Europe; aligned against the Soviets or neutral, Poland isolates Moscow from European affairs. The reunification of Germany appears to hold the key to Poland's military future. A Germany strongly bonded to a Western alliance should dictate to Moscow a fundamental desire for a robust Polish-Soviet relationship. A unified Germany loosely tied to the West might force Warsaw to search for a powerful ally to deter demands for a resettlement of the post World War II Polish western frontier. A German-Soviet partnership could force Poland to align with the West to avoid a repetition of the events in August-September 1939.

E. ALTERNATIVE SCENARIOS

1. Alliance with United States

This scenario assumes Poland is unable to satisfactorily settle the border question with a reunified Germany. The Soviet Union is not able to supply the assurances Warsaw requires due to internal problems. The U.S. "guarantees" Poland's borders as a hedge against a collapse of NATO and to ensure influence in a Europe that is moving toward unification. Strong cultural links and a common goal of maintaining stability in Central Europe allow an American-Polish partnership to develop. For this scenario to unfold a close U.S.-Polish military relationship will have to form almost instantly to allow effective cooperation.

Moreover, for this scenario to develop, Poland will have to alter its tactics, doctrine, and equipment to merge with American practices. The past decade of economic stagnation will prevent the government in Warsaw from devoting the resources necessary for restructuring of the armed forces. America must either reduce the costs of Polish equipment or subsidize the final cost to allow Poland to effectively rearm itself. The senior leadership of the military will have to be replaced to eliminate their pro-Soviet orientation. A sharp drop in military effectiveness can be expected immediately after the organizational changes begin to be implemented.

It will take time for the new military leadership to adjust to their positions and become acquainted with American methods. Trained to fight the Western armies, it can be expected that a majority of the Polish military is at least familiar with basic Western military practices and equipment. The most dangerous point for Poland will come when the military is nearly equally equipped and trained with both Soviet and American equipment. This could coincide with massive upheaval in the rest of Eastern Europe and the USSR as local economies continue to deteriorate while shifting to a capitalist market system.

2. Neutral

For Poland to remain neutral will require a treaty guaranteeing Poland's western frontier and a unified Germany

strongly tied to the West. Without both conditions Poland would have to be prepared to defend itself against a situation similar to World War II.¹³⁴

As a neutral like Austria, Poland could expect to reduce its military expenditures while devoting more resources toward economic recovery. Depoliticalization of the military could be more effective, since the only reason for remaining in the armed services would be to defend the homeland. The geo-strategic importance of Poland to both the USSR and Europe would make this scenario difficult to accomplish. With the second largest population, Poland as a neutral would create a tremendous power vacuum in the center of Europe.

If Poland became a neutral following the Swedish example, it could expect to maintain nearly as large of a military as it does today. This will prevent resources from being shifted to the civilian sector and because of the obsolescence of most of the Polish hardware, could end up being the most expensive option in the short-term. Poland has demonstrated in the past that it cannot militarily defend itself against its enemies. Without the luxury of weak neighbors or geographical isolation, Poland does not have the capability to enforce its neutrality in European conflicts.

¹³⁴Given the conditions of today it is not realistic for Poland to reform the economy, create a new democratic government, and militarily equip itself to defend against a larger and militarily stronger nation. A Germany allied with the Soviet Union, even if accepted by the West, would place Poland in a situation nearly identical to 1939.

3. Allied with the Soviet Union

This scenario assumes Poland's pro-Soviet faction overcomes any hostility towards the USSR by using the threat of a resurgent Germany. A "guarantee" of the Polish borders could overcome the negative aspects of a continued Soviet presence. Common military doctrine and tactics developed over 45 years would not be replaced and the senior military officers could be retained.

Poland already produce under Soviet license: tanks, planes, and small arms. The most efficient use of these plants in the short-term would be to continue producing the same hardware. To decrease the defense burden, the military could be made to be self-supporting. With the logistical and training pipeline for Soviet equipment already in place, short-term saving would be greater.

This scenario is the most desirable for the Soviet military. Poland as a major purchaser of equipment will allow Moscow to continue using economies of scale and lower their hardware costs. Poland's shipbuilding industry can supply the small combatants required by both nations, freeing the USSR to build large naval vessels. Technology barriers to the USSR might not be invoked against Poland, allowing access to necessary technology that might otherwise be unavailable. Keeping a barrier between the USSR and Europe would filter out some of the undesired Western influences before they reach Moscow.

F. ANALYSIS SUMMARY

The three military scenarios above and the issues analyzed in part two of this chapter are used to generate a hierarchy of probable developments within the military.

1. Training and Selection

Forty-five years of Soviet training and control of the officer selection process will not be eradicated until the middle grade officers leave the service at the very earliest. The cultural dislike and memories of the Soviet inspired Communist military with its role in maintaining the regime's stability will prevent the USSR from retaining Poland as a strong military ally.

2. Military Vision

The leadership of the military has a vested interest in maintaining their position in Polish society and will not be enthusiastic about civilian inspired programs that threaten their privileged status. A military alliance with the U.S. would make their Soviet training valueless and hence increase the ease of removing them from office. The lower ranks will not accept a tight alliance with the Soviet Union. Neutrality will allow Poland to pick and choose among the available options and increase the governments freedom to maneuver in the short term.

3. Equipment Costs

This decision was made almost solely on the savings accrued from remaining tied to Soviet supplied equipment.

Poland cannot afford the expense of defense expenditures, especially during the transition process to a free market system. An additional factor in valuing the U.S. alliance over neutrality is the possible support Poland could acquire against the threat from a unified Germany attempting to regain the territory lost in 1945.

4. Soviet Position

The Soviet's desire for Poland to remain aligned with Moscow is obviously very high. An American ally on the Soviet border might be desirable in Moscow to ensure a resurgent Germany would not be able to attack the USSR without U.S. involvement. A neutral Poland would force the Soviets to consider Warsaw as a possible threat, fearing a sudden switch of allegiance in time of crisis. Moscow likes the future to be predictable and a neutral Poland would not be a stable situation in the long term.

G. CONCLUSION

The most realistic scenario is for Poland to stay aligned with the Soviet Union, but with neutrality being a viable alternative. The probability of Poland becoming aligned with the United States is remote under the present conditions. However, political control of the armed forces will ultimately force the military to directly compete against social and economic programs for limited funding. With continued democratization, the military will likely see an immediate decrease in its ability to influence the political budgetary

process. This could shift the military hierarchy strongly toward neutrality and even make an alliance with the United States possible in the next decade.

V. CURRENT POLITICAL RESTRAINTS

This chapter assess the current political conditions in Poland. The USSR has had over forty years to establish bureaucratic ties with Warsaw beyond the identifiable Party-to-Party affiliations. The Soviets might use these "hidden" contacts to retain direct contact with the new Polish government, and perhaps gain more leverage than in the past since the ties will not be as obvious. The format will follow the economic and political chapters. The critical questions to be addressed in detail include:

A. INTERNAL

1. What will be the political appeal/impact of the Polish communist/socialist party (s) in a democratic political system?
2. Do the non-communist leaders and population of Poland realize the costs involved in establishing a democratic and capitalistic (free market) system? Realistically, are they willing to pay those costs?
3. How will the strong influence of the Catholic Church affect Poland's future?

B. EXTERNAL

1. How will the border/ethnic rivalries between Poland and its neighbors affect the Soviet's ability to influence the region or maintain alliances by supporting specific claims?
2. What are the European and Japanese reactions to events in Eastern Europe and how will their policies and objectives affect American efforts?

C. COMMUNIST STRENGTH IN POLAND

In the wake of its overwhelming victory in the June 1989 national elections, Solidarity was able to form a coalition government with the support of the Democratic, and United Peasant Parties. The Communist Party was racked by a prevailing mood of apathy and disillusionment during the rest of the year as it faced the unpleasant situation of no longer holding undivided power.¹³⁵ Splitting into two new political parties in January 1990, the former Polish communist block cannot be considered a monolithic block in future elections. Still, the former Communists represent over 1.1 million voters, out of 21 million votes cast in the last election.¹³⁶

The Social-Democratic Union of the Polish Republic (USRP) represents a hard line communist ideology. Denouncing "artificial unity" the USRP rejected being "transformed into Social Democrats out of Communists overnight."¹³⁷ The Social Democracy of the Republic of Poland (SDRP) was formed under the leadership of Aleksandr Kwasniewski, and contains the majority of the 165 communist party parliament members.¹³⁸

¹³⁵"Rakowski on Nation's Disillusionment'," FBIS-EEU, 1 February 1990, 47.

¹³⁶"Statistical Analysis of Candidate Affiliations," FBIS-EEU, 7 June 1989, 37; "Rakowski Issues Statement on New Party," FBIS-EEU, 17 January 1990, 59.

¹³⁷"Communists Form New Polish Party," San Jose Mercury News, 29 January 1990, 7.

¹³⁸"Kwasniewski: Social Democracy Supports Mazowiecki," FBIS-EEU, 8 February 1990, 8.

There is no difference in the platforms of the SDRP and USRP parties.¹³⁹ Because no real split has occurred, to retain control Solidarity's coalition must retain enough votes to stand up to the combined strength of the two parties.¹⁴⁰

In any event, these two left wing political parties could be in a position to influence the new democratic government well out of proportion to their absolute strength during the next ten years. In a parliament evenly divided between two political alliances, a small but tightly organized block of representatives could play a crucial role in the formation of a new government. A small election turnout will allow greater representation for a small, but active political party; increasing the probability of the left wing regaining significant political power in Poland.

The coalition of the Communist Party and its partners received about 25 percent of the Senate votes and 48 percent of the national list of candidates: a significant minority of the June voters.¹⁴¹ Well organized and with a bureaucratic institution already established, the former communist party membership could elect a small number of senators to the Sejm

¹³⁹ "Fiszbach Interviewed on New Party," FBIS-EEU, 8 February 1990, 9.

¹⁴⁰ "Walesa Views Solidarity's Future Political Role," FBIS-EEU, 7 March 1990, 64.

¹⁴¹ "Politburo Report Presented to 13th Plenum," FBIS-EEU, 8 August 1989, 38.

in the next election. A continued weak economic performance under Solidarity and an open split in the trade union's leadership over future policy options could make this a likely scenario in the next elections.

Increased political freedom without economic discipline may prove to be a mixed blessing to Poland.¹⁴² Blamed for the nation's economic problems, the Communists might be able to use popular discontent in the face of continued economic difficulties under the new government to regain political acceptability. Communism alone cannot be blamed for Poland's dismal economic performance compared to the rest of the East Bloc nations.¹⁴³ However, before the former communist leadership can stage a comeback the new parties must realistically determine their role in Poland's future, and then establish a creditable position in society to achieve the desired political program.¹⁴⁴

D. COST OF DEMOCRACY AND CAPITALISM

The changes that occurred during the last year are a start towards forming a democratic political system with a free market economic system. With the PUWP being guaranteed 173

¹⁴²Thomas H. Naylor, "Poles Will Die for Poland . . .," New York Times, 6 July 1989, 21.

¹⁴³Weak political leadership combined with the populations unwillingness to accept or allow necessary price reforms in 1970, 1976, and 1980 have contributed to Poland's present condition.

¹⁴⁴"Levin on Problems Facing Polish Communists," FBIS-EEU, 19 September 1989, 30.

seats out of 460 in the lower house of the national assembly, "true" democracy has not yet reached the Polish people. It has been estimated that only ten percent of society is active in Poland's political life and less than sixty-five percent of the eligible voters participated in the June 1989 election.¹⁴⁵ The new coalition government has quite vulnerable support, since the political support rests on a pluralism of political viewpoints, artificially consolidated in the Solidarity trade union.¹⁴⁶

The goal of ousting the communist dictatorship united the opposition; the Polish people did not vote for Solidarity and its program as much as it voted against the PUWP.¹⁴⁷ Since gaining control of the government, Solidarity has had to correct major economic problems without the communist presence as a rallying point. Because Solidarity did not expect, or desire, to control the legislature following the June elections there was no program ready for immediate

¹⁴⁵"POLITYKA on Evolving Political Alignments," FBIS-EFU, 30 March 1990, 46.

¹⁴⁶"Trust in Government, Solidarity Seen Declining," FBIS-EEU, 26 March 1990, 44.

¹⁴⁷"Orzechowski Remarks on Elections," FBIS-EEU, 7 June 1989, 37; John Tagliabue, "How to Be Big Winner: Just Make No Promises," New York Times, 23 June 1989, 4; "Politburo Report Presented to 13th Plenum," FBIS-EEU, 8 August 1989, 33; "POLITYKA on Evolving Political Alignments," FBIS-EEU, 30 March 1990, 45; "Walesa Interviewed on Solidarity's Political Power," FBIS-EEU, 2 April 1990, 44.

implementation.¹⁴⁸ Not surprisingly, the popularity of the Solidarity government has dropped since taking office as they struggle with the country's enduring problems.¹⁴⁹

Solidarity's political platform is aimed at achieving an independent and sovereign nation in a reconstituted republic.¹⁵⁰ However, achieving these objectives in the long-term will require economic success. Sociopolitical and economic reforms will only have a chance for success if Poland can relatively quickly restore economic equilibrium.¹⁵¹

Removing the Communist Party's constitutional monopoly on political power was the first step toward achieving an independent republic. Until the German border issue is resolved, the independence and sovereignty of Poland will be constrained by the presence of Soviet troops in Poland. No nation can be considered completely independent when its territorial integrity depends on a continuous military alliance presence.

A February 1990 two-thirds of the respondents opposed additional unemployment and 25 percent did not think that the

¹⁴⁸"Walesa Interviewed on Solidarity's Political Power," FBIS-EEU, 2 April 1990, 44.

¹⁴⁹"Poll Claims Solidarity Losing Support," FBIS-EEU, 6 February 1990, 57.

¹⁵⁰"Kuron Interviewed on Solidarity Platform," FBIS-EEU, 1 May 1989, 44.

¹⁵¹"Jaruzelski Aid Message to Western Leaders," FBIS-EEU, 21 July 1989, 23.

government had a good idea of how the market functioned.¹⁵² In particular, the peasants are not happy with the reforms and unrest in rural areas is the most serious internal danger the government will have to face.¹⁵³ In the past economic conditions caused political tensions, preventing the PUWP from implementing even modest economic reforms.

In a democracy political visions must be allowed to develop, regardless of ideological orientation.¹⁵⁴ Political pluralism broadly conceived is a logical reflection of the real differences, discrepancies, and divisions in society.¹⁵⁵ Solidarity's cohesiveness will most likely weaken with time as various factions attempt to achieve individual objectives following the elimination of the communist government. Any Solidarity government will be weakest during the transition period as it becomes a political party and not a trade union. The center and right wing elements of the trade union will compete to gain the largest number of followers possible among the dividing membership.

¹⁵²"Opinion Poll Results on Unemployment, Prices," FBIS-EEU, 1 March 1990, 48.

¹⁵³"POLITYKA on Evolving Political Alignments," FBIS-EEU, 30 March 1990, 46; "Farmers, Fearing a Drop in Prices Criticize Poland's Economic Plan," New York Times, 19 December 1989, 16.

¹⁵⁴The exception to this general rule is a ideology that prevents society from continuing a functional existence. These must be examined on a case by case basis and not be eliminated because they are not "popular" with the ruling elite.

¹⁵⁵"Moscow TV Interviews Jaruzelski on Past Year," FBIS-EEU, 3 January 1989, 48.

Without coalition support, Solidarity presently cannot prevent the former PUWP representatives from blocking programs aimed at solving the nation's problems. Holding national elections before the 1995 requirement could increase the possibility of reforms being sacrificed for political survival. Thus, Solidarity is faced with a difficult situation; unable to implement all of its desired reforms without compromising to maintain its political alliance, and risking the collapse of the present reform package because of political promises made during an election campaign to gain the simple majority required to form a new government.

Poland's history of political development offers an unsettling prospect for alternatives to overcome the present problems. Following the formation of the Second Polish Republic in 1918, the nation was unable to tolerate widely different political positions; in the face of rising economic unrest and political anarchy a successful coup established a military dictatorship.¹⁵⁶

If Solidarity, or any other political alliance, cannot maintain control, the military may retake political power to prevent a complete collapse of the country's government. The precedent for military action in 1926 and again in 1981 are a constant reminder of Poland's potential for a military dictatorship.

¹⁵⁶ Andrzej Korbonski, "Civil-Military Relations in Poland Between the Wars: 1918-1939," 174.

E. ROLE OF CATHOLIC CHURCH

The Catholic Church has been seen as a defender of Polish culture during periods of foreign domination, and represents one of the few threads of continuity throughout Poland's history.¹⁵⁷ The Church's position in Poland changed radically as the result of the massive demographic transformation resulting from World War II. Only 500,000 out of Poland's post-war population of 24 million were "national minorities"; making the new state almost exclusively Catholic.¹⁵⁸ The Church regarded itself as representing the Polish nation on the basis of historical status, and popular allegiance.¹⁵⁹

The PUWP and the Church have been in an ideological struggle since the PUWP consolidated its hold on power. A 1949 Vatican decree excommunicated Catholics who followed and taught Communist doctrine, denying the sacraments to any "consciously and freely" supporting Communist activities. The agreement between the Polish Republic and the Episcopate of Poland, 14 April 1950, guaranteed the clergy's political loyalty to the government in return for a declaration to respect the Church's right to operate in Poland.¹⁶⁰

¹⁵⁷ Davies, God's Playground a History of Poland, 208.

¹⁵⁸ In 1931 Poland's population was 65% Catholic, in 1946 96.6% of the nation was Catholic.

¹⁵⁹ Kolankiewicz, Poland, 14.

¹⁶⁰ Tomasz Mianowicz, "Polish Pope, Polish Church, and Polish State," Survey, June 1989, 133.

The events which brought Gomulka back to power also affected the relationship between the Party and the Church. The emergence of a "national" road to socialism in Poland contributed to a Catholic parliamentary group's membership in the Sejm. Poland became the "testing-ground" for the Vatican's relationships with Communism in general.¹⁶¹ In Poland the Church gradually withdrew from politics, except for areas dealing specifically with the maintenance of religious and pastoral missions claimed by the Church.¹⁶²

The selection in October 1978 of Polish Cardinal Karol Wojtyla as the new Pope and the birth of Solidarity in August 1980 changed the relationship between the Catholic Church in Poland and the Polish government. The Church has acted as a mediator between the trade union and the government in their ongoing disputes. With the suppression of Solidarity in 1981 the Church enjoyed an unprecedented rise in popularity and the strengthening of its position relative to the state's authority; churches were packed with the faithful searching for an alternative to the states "psychosphere."¹⁶³

During the period prior to the June 1989 elections, the position of the Church was critical for both Solidarity and

¹⁶¹Tomasz Mianowicz, "Polish Pope, Polish Church, Polish State," 133.

¹⁶²Sanford, Military Rule in Poland, 220.

¹⁶³Mianowicz, "Polish Pope, Polish Church, Polish State," 146-7.

the PUWP. Newly re-legalized, Solidarity did not have the organization bureaucracy required to sustain a political campaign, especially when the elections were held only months after Solidarity was officially recognized. The state was counting on the Church remaining at least neutral before the election and active participation on behalf of Solidarity would not be a commonplace occurrence.¹⁶⁴ However, active supporters in local parishes greatly assisted Solidarity. In turn, this support helped the Church gain a stronger position for dealing with the new government.¹⁶⁵

With the restoration of full legal status to the Church in May 1989, religious education returned to Poland's national school system, ending the separation of Church and State began during the 1950s.¹⁶⁶ Solidarity historically has used the Church's spiritual presence and guidance to justify its decisions.¹⁶⁷ The election of Tadeusz Mazowiecki, a prominent Catholic layman, as Prime Minister underscores the influence

¹⁶⁴"Politburo Report Presented to 13th Plenum," FBIS-EEU, 37.

¹⁶⁵"Politburo Report Presented to 13th Plenum," FBIS-EEU, 8 August 1989, 37.

¹⁶⁶"Rakowski Addresses Sejm on Church Issues," FBIS-EEU, 27 April 1989, 33-8; "'Normalizing' Church-State Relations Discussed," FBIS-EEU, 19 May 1989, 38-40; "Church's Legal Position Viewed," FBIS-EEU, 12 July 1989, 39-42.

¹⁶⁷Clyde Haberman, "Vatican and Poland Restore Relations," New York Times, 18 July 1989, 3.

of the Church in Poland's political affairs.¹⁶⁸ The strength of the divisive abortion issue in the June 1989 elections will probably cause tension with the government, following the Church's support for pro-abortion Solidarity candidates over the PZPR's anti-abortion parliament candidates.¹⁶⁹

As a potential political force in Poland, the Church could play a major role in Poland's future. Public opinion is split concerning the Church's role in future elections: running the gamut from those who believe Poland is being de-Christianized and the process should be resisted using any available means, including a Catholic political party; to those who maintain that there are no specific Catholic political interests or ideology and warn about the danger of "Khomeynization of Poland."¹⁷⁰ The key point is that whatever government is in power in Poland will face an organized institution capable of leading a sustained political and spiritual resistance to policies the Church has not approved.

F. SOVIET INFLUENCE

By the early 1980's Eastern Europe was a heavy drain on Soviet resources. Poland's debt-ridden economy, dispirited

¹⁶⁸ John Tagliabue, "A Journalist at the Helm," New York Times, 19 August 1989, 1.

¹⁶⁹ John Tagliabue, "Abortion Issue in Poland Splits the Opposition," New York Times, 29 May 1989, 1.

¹⁷⁰ "Daily Analyses Polish Right, Catholic Influence," FBIS-EEU, 4 April 1990, 51.

population, and anti-Russian feelings were part of the large burden carried by the struggling economy of the USSR. If this burden was to be lifted, Gorbachev had to eliminate the popular perception in East Bloc nations that meaningful political-economic reform was possible only with the Soviet Union's permission. By allowing a multiparty democratic system based on market-oriented economic policies in Poland, Gorbachev has apparently repudiated the Brezhnev Doctrine.¹⁷¹

Following the inability of the PUWP to form a coalition government against Solidarity's opposition, a "Gorbachev Doctrine" was reportedly formulated.¹⁷² The doctrine was based on the new leadership assuming the agreements inherited from the previous government; especially an adherence to "socialist principles" and the maintenance of both internal and external security capability.¹⁷³ With the collapse of the East German government and German unification anticipated in the near future, events have moved beyond the point where this doctrine could be implemented in most of Eastern Europe.

Poland is concerned about the likely near-term reunification of Germany and possible long-term attempts to alter the

¹⁷¹Bill Keller, "Gorbachev in Finland, Disavows Any Right of Regional Intervention," The Collapse of Communism Bernard Gwertzman and Michael T. Kaufman, ed. (New York: New York Times Co., 1990), 163-6.

¹⁷²"'Gorbachev Doctrine' for East Europe Reported," FBIS-EEU, 22 August 1989, 20.

¹⁷³"'Gorbachev Doctrine' for East Europe Reported," FBIS-EEU, 22 August 1989, 20.

Oder-Neisse border. Poland desires a unified Germany to be tied to a general European solution; not permanently neutral or just a member of NATO.¹⁷⁴ A second border consideration is not only the eastern Polish-Soviet border, but the border between Poland and Lithuania. There are 300,000 ethnic Poles living in Lithuania, over eight percent of that Republic's population.¹⁷⁵ In the past, Russia, Prussia, and Austria have altered their borders on the basis of one nation giving up territory to the other, and being "compensated" at the expense of Polish territory.

Concession of "independent" Lithuania territory and a guarantee of protecting the Polish border from future German demands could ensure a continued Soviet presence in Poland. On the other hand, Moscow could secure influence with the new German government by supporting any claims to Poland's western border, in return for recognition of the Baltic States incorporation into the Soviet Union. In either case Moscow would appear to be able to achieve desired foreign policy objectives and maintain their security.

Eastern Europe in general, and specifically Poland, cannot escape the consequences of changes in the Soviet Union's long-

¹⁷⁴"Mazowiecki Demands Presence at Six-Power Talks," FBIS-EEU, 16 February 1990, 47.

¹⁷⁵"Lithuanian Poles Call for Autonomous Regions," FBIS-EEU, 13 September 1989, 40.

term perspective of the global situation.¹⁷⁶ The key questions Poland's leadership must contend with in the near future are: what are the long-term prospects for Gorbachev and how will his successor's policies differ? The USSR has an interest in Poland's future development and would like to see a politically stable neighboring state, friendly toward Moscow.¹⁷⁷ Until the present alliances in Europe significantly move toward a security system containing a united German superpower, Poland will need a cooperative relationship with the USSR.¹⁷⁸

Poland's government must contend with a very weak economy and almost unlimited demands on meager financial resources in the near future. The Soviet Union would be a valuable ally for Poland if it allowed Warsaw to minimize military spending and increase the expenditures on reform programs. A politically hostile Soviet Union could force Poland to spend more money on defense and jeopardize the possibility of achieving long-term economic stability and/or political democratization. Thus, Poland may have to keep the USSR at least neutral, preferably supportive, toward internal programs

¹⁷⁶"Soviet General: Forces Defending Soviet Interests," FBIS-EEU, 16 April 1990, 52-3.

¹⁷⁷"USSR Mainly Wants 'Stable,' 'Friendly' Poland," FBIS-EEU, 20.

¹⁷⁸"Skubiszewski on Future Ties With USSR," FBIS-EEU, 19 January 1990, 9-10.

to have a reasonable chance for successfully implementing the reform program.

G. JAPANESE/EUROPEAN OBJECTIVES

1. Japan

One of the first acts taken by Solidarity was to call for Japan to extend its official development assistance to Poland.¹⁷⁹ Warsaw is hoping to combine its human resources with Tokyo's economic leadership to build bilateral economic relations.¹⁸⁰ Surprised by the sudden transformation within the East Bloc nations, Japan has been slow to respond to the calls for financial aid.

The domestic political problems of the Liberal Democratic Party in Japan during 1989-90 have prevented the government from devoting the time and resources needed to produce an investment and development plan for Eastern Europe.¹⁸¹ Japan's business corporations have followed the governments lead and are waiting before risking capital in Poland's economy.¹⁸² Lacking a long term interest in Eastern

¹⁷⁹"Poland Requests Overseas Development Loan," FBIS-EEU, 1 September 1989, 57.

¹⁸⁰"Mazowiecki on Reform, Economic Ties with Japan," FBIS-EEU, Annex, 19 January 1990, 7.

¹⁸¹Brian Bridges, "Japan: Business s Usual?," The World Today, April 1990, 58-61.

¹⁸²Karol J. Szyndzielorz, "The Drama of Peaceful Change in Poland," Japan Quarterly, January-March 1990, 104.

Europe, Japan will probably not be a major factor in determining the outcome of events in the region. This could change if the European Economic Community is able to lower the trade barriers between nations as planned in 1992; Japan might have to invest in Eastern Europe companies to ensure access to West Europe's markets.

2. West Germany

The future of an independent Polish state, as in the past, is strongly dependent on Germany's position in Europe. Economically powerful, a German state with territorial ambitions in Europe is a distinct threat to Poland's survival. Since 1772, a German state has participated in, or instigated a partition of Poland on four separate occasions. The hesitation of Germany's Chancellor Kohl to guarantee Poland's border immediately following the fall of the Berlin Wall has rekindled Poland's fear of a unified Germany as a neighbor. Not surprisingly, two out of every three Poles surveyed in early 1990 were opposed to the reunification of Germany because it would be destabilizing.¹⁸³

Poland has demanded to be represented at any discussions between the two German states and the post-war

¹⁸³Alan Riding, "Survey Finds 2 in 3 Poles Opposed to German Unity," New York Times, 20 February 1990, 8.

occupying powers concerning the security of Poland.¹⁸⁴ Both General Jaruzelski and Prime Minister Mazowiecki have called for the Soviet troops to remain in Poland until a treaty providing "adequate" assurances against any possible future German aggression has been signed. Tension over the border question will remain, even if a treaty is signed guaranteeing the border. It will take time and a prolonged demonstration of non-aggression for a unified Germany to sooth the fears of its neighbors, especially in Poland.¹⁸⁵

Concerned about reunification and solving the economic problems in East Germany, West Germany may not have the resources to simultaneously provide support for Poland.¹⁸⁶ In the West, economists fear the rush to reunify will cause inflation and higher global interest rates as Western capital is diverted to East Germany.¹⁸⁷ Historical ties and Hungary's stronger economy will probably lead to German foreign aid

¹⁸⁴"Mazowiecki Demands Presence at Six-Power Talks," FBIS-EEU, 16 February 1990, 47.

¹⁸⁵"Political, German Reunification Views Polled," FBIS-WEU, Annex, 30 March 1990, 1-7; Thomas L. Friedman, "Baker Visits Warsaw to Try to Calm Fears Over Border," New York Times, 7 May 1990, 6.

¹⁸⁶"Costs of Integrating GDR Welfare Net Probed," FBIS-WEU, 6 April 1990, 9-14; Alison Smale, "Aged, Dilapidated Infrastructure Stifles Change," San Jose Mercury News, 19 February 1990, 5D.

¹⁸⁷Jonathan Fuebringer, "The Economic Ripples of a German Union," New York Times, 16 February 1990, 1C.

going to Budapest before Warsaw.¹⁸⁸ If either condition occurs, Poland's drive for economic recovery will be handicapped by external forces beyond Warsaw's direct control.

Faced with the immense expense of unification and historical caution concerning German motives in Poland, Bonn will probably be willing to let the United States take the leading role in Poland for the next ten years. With the U.S. supporting Warsaw's economic recovery, Germany will not have to actively counter progress made by an European neighbor in Poland. Conceivable Bonn could encourage American participation until the time when reunification is complete, and Germany is in a position to expand its economic interests into a region devoid of direct European competition.

3. Great Britain

Immediately following the elections in June, London gave Warsaw a \$42 million aid package to train managers and help establish a market economy.¹⁸⁹ With only a relatively small portion of Poland's foreign debt owed to British banks, the Thatcher government has taken a "benign" stance on debt rescheduling.¹⁹⁰ The August formation of a Solidarity-led

¹⁸⁸"Text of Kohl's 22 Nov Strasbourg Speech," FBIS-WEU, 20 December 1989, 11-15.

¹⁸⁹Michael Evans, "Dispute Over Hero's Body," London Times, 12 June 1989, 2.

¹⁹⁰Colin Narbrough, "Clark in Polish Trade Mission," London Times, 14 July 1989, 15.

government resulted in the British government contributing an additional \$175 million to Poland and calling for the Western nations to put forth a larger effort to help the new government.¹⁹¹

Margaret Thatcher's government has called for a treaty guaranteeing Poland's borders and allowing the changes taking place in Eastern Europe to proceed against a background of stability and security.¹⁹² With a moderately strong economy, British businessmen will be looking to the emerging states in East Europe as potential investment opportunities. With a historical tradition of being able to cooperate, the United States and Great Britain should be able to coordinate their policies and share the burden of attaining mutually supportive objectives.

4. France

President Mitterrand agreed to reschedule Poland's \$1 billion foreign debt held by France and delay all payments until 1993 in response to the June 1989 elections.¹⁹³

¹⁹¹Andrew McEwen, "Thatcher Seeks More Western Aid for Warsaw," London Times, 7 September 1989, 10; Tom Giles, "Walesa Woos Investors on First Visit to Britain," London Times, 30 November 1989, 7.

¹⁹²"Thatcher, Shevardnadze Comment on 19 Dec Talks," FBIS-WEU, 20 December 1990, 4; "Thatcher Explains Vision of Europe; Kohl Answers," FBIS-WEU, 30 March 1990, 8-9.

¹⁹³London Times, 16 June 1989, 9.

Realizing Germany would be the main economic power capable of providing financial support for Eastern Europe before the fall of the Berlin Wall, France wanted to mobilize all Europeans to form a policy for the East Bloc that was common to all of the European countries.¹⁹⁴ In line with this policy, France's financial assistance is via EEC channels and not in direct government-to-government loans. Although the government has urged business to invest in Eastern Europe, bankers are skeptical, uncertain about the security, stability, and economic success of investments.¹⁹⁵

Concerned about the prospects of a united Germany in Europe and the negative effect it would have on French influence, Mitterrand's foreign policy toward Eastern Europe is an attempt to consolidate European action into a single plan for all the nations. This policy is jeopardized by a reluctance of the poorer EEC nations to spend money in Eastern Europe when their economies are presently very weak.¹⁹⁶ Paris does not have the resources to support Poland in the East, and

¹⁹⁴"Defense Minister Discusses East Europe Situation," FBIS-WEU, 18 September 1989, 9.

¹⁹⁵"Banking Official Warns Against Eastern Loans," FBIS-WEU 29 March 1990, 18.

¹⁹⁶Sally Jacobsen, "European Community: Gains Risks," San Jose Mercury News, 20 February 1990, 1E.

confront Germany in the West. Paris is probably willing, if not anxious, to see the U.S. lead the effort in Poland, rather than leave the opportunity for a united Germany to expand later.

H. THREE POSSIBLE SCENARIOS

Poland is at a cross-road of political and social evolution. Popular discontent forced the PUWP to repudiate their constitutional monopoly on political power. The new government has to overcome political as well as economic problems resulting from the 40 years of Communist rule, before the reforms can be judged successful and perhaps more importantly non-reversible. Numerous programs could emerge in the near future and fractionalize the government. Without a strong government, politically difficult choices cannot be made, and the present problems will probably not be overcome.

Before the America can implement any long-term policies to achieve its national interests in the area, Washington must understand the probability of possible future events. Once Poland's likely political alternatives are known, given the present international situation, issues that can be affected by American policy can be isolated. Then a policy can be developed around a framework of issues specifically selected based on achieving America's national objectives in Poland at a minimum cost while maximizing the probability for success. The following section outlines three possible political scenarios in Poland's during the next ten years.

1. Political Instability

This scenario assumes the Polish government cannot implement a reform program with the associated social discontent and de-habilitating political consequences. The main danger is that the population's patience for solutions to long-standing problems will run out long before the anticipated benefits are delivered. In this scenario, a deeply divided central government is unable to maintain the support required to carry out its political platform. Economic and political collapse appears imminent as the government is paralyzed by an inability to generate a consensus and take action. Either a military coup overthrows the elected officials and establishes a dictatorship; or a radical political party emerges to dominate the government.

This scenario seems plausible when it is recognized that the roots of the present situation in Poland are buried in the failure of a socialist model that exhausted the development possibilities before abdicating power.¹⁹⁷ Genuine transformation of the economy and a mobilization of people's social energy will be essential to surmount the present crisis situation.¹⁹⁸ Maintaining the public's confidence requires a

¹⁹⁷"Politburo Report to 13th Plenum," FBIS-EEU, 8 August 1989, 33.

¹⁹⁸"Mazowiecki on Threats to Democratization," FBIS-EEU, 6 October 1989, 64.

social safety net to protect the weak against the effects of a free market.¹⁹⁹

Poland is moving toward democracy while being in the process of learning about the give and take of Western style politics.²⁰⁰ Lech Walesa's willingness to do battle with his former allies in the Polish Cabinet and "have a war that gives peace to the bottom of society" could indicate an imminent breakup in Solidarity's political support.²⁰¹ With the Polish far left in disorder, Solidarity is the only political organization capable of forming a stable government. Without a stable government capable of maintaining the support required to allow the political and economic reforms to take root, the possibility of a non-democratic system emerging increases.

President Jaruzelski controls the army, police, and the power to impose or lighten censorship. His threat to use the military to quell any destabilizing events in February 1989 and the imposition of martial law in December 1981, demonstrate a willingness to use force to prevent a complete

¹⁹⁹"Geremek Views Polish Democratization," FBIS-EEU, 31 January 1990, 48.

²⁰⁰Serge Schmemmann, "New Rules in Warsaw: The Politics of Paradox," New York Times, 16 July 1989, 14.

²⁰¹"Ready to Fight, Walesa Tells Solidarity Panel," New York Times, 14 May 1990, 6.

collapse of political control in Poland.²⁰² If the army remains united behind Jaruzelski's leadership, the use of military forces in a coup is one possible solution to a loss of political control inherent in this scenario. It is worth recalling that Marshal Pilsudski was able to use strife and political anarchy to install a dictatorship in 1926.

A weak government and poor economic performance could provide the basis for an alternative outcome: a "dictatorship of the people." Internal conditions weaken the population's faith in the government's ability to cope with domestic problems. The military, reflecting society's extreme disaffection, is incapable of taking decisive action to prevent the country from sliding further toward anarchy. Voters become disenchanted with the major political groups, allowing radical parties to gain electoral strength. Eventually one extremist party controls the government, and solidifies its control using the state's legal institutions.

Due to the factionalism in the political left in Poland following the breakup of the PUWP, this scenario is more likely to develop into a right wing dictatorship. However, if the communists are able to take advantage of a split in the right and center elements of Solidarity and regain widespread popular support, than a left wing government could come to power. Nevertheless, during the next ten years,

²⁰²London Times, 1 March 1989, 11.

without extensive external support, the radical left is not likely to overcome the population's memory of the last 40 years and regain control of the government.

This scenario, virtually a fascist alternative government, becomes creditable when it is recalled that almost everyone in Poland has already had to make sacrifices because of the economic changes under way, but most expect their condition to improve in the near future.²⁰³ With the collapse of the Soviet economy and new governments throughout the Eastern Bloc, Poland can count on economic competition, not support, from its former CMEA trading partners. Economic success in the near term is not guaranteed.

The present government must fight attacks from the right without the balancing factor of a strong political left. If this situation continues, Poland could be returned to the political doldrums caused by having one all powerful political party or a military dictatorship.²⁰⁴ While this situation might provide stability in Poland for the short-term, it would not in the long-term provide for an orderly transfer of political power. Hence, sometime in the future an internal power struggle and a possible return to anarchy.

²⁰³"Support for Government Strong Despite Hardships," FBIS-EEU, 16 February 1990, 54.

²⁰⁴"Walesa Interview on Solidarity's Political Power," FBIS-EEU, 2 April 1990, 45.

2. Limited Democratic Success

This scenario assumes some economic and political reforms are successfully implemented, but rising social discontent forces the government to repudiate essential parts of the reform package. The country's economic collapse is stopped, but little progress is made toward actually improving the people's standard of living. The safety net required to ensure a stable government prevents a complete alteration in the political system established under the PUWP. The government begins to postpone implementing additional reforms. A dictatorship is not formed, but the government avoids direct accountability to the voters by failing to implement political, as well as economic reform.

Today, initial indications suggests rising unemployment is a major social concern. By the end of January 1990 there were 55,800 officially registered job seekers; the Polish government estimates by December 1990 400,000 will be unemployed, ominously, the World Bank estimates as many as 1 million will be jobless.²⁰⁵ Farmers are having an unpleasant first experience with capitalism; over-production of potatoes has sharply reduced prices. A state monopoly on food distributors keep's food prices low and uncontrolled prices on farm

²⁰⁵"Problem of Unemployment Examined; Data Cited," FBIS-EEU 16 February 1990, 55-6.

necessities is bankrupting most small farmers.²⁰⁶ Many are calling for official action to help the farmer.²⁰⁷

There are numerous governments in the world today that call themselves "democratic," many are significantly different in both form and substance from the American model. In Poland a political revolution has begun, but reserving seats in parliament for the PUWP prevents the government from reflecting the actual strength of the different political parties. The Solidarity government has acknowledged that political restructuring of the state must be a priority and that at any moment "democracy" might collapse if the economy does not recover.²⁰⁸ Reform may be delayed because of "fear" that Poland could not afford additional "democracy."²⁰⁹

Of note, Lech Walesa has pushed for a pause in the implementation of democracy so authorities can re-establish

²⁰⁶In the long-run this may prove beneficial, as the small farms are replaced by more efficient larger farms. In the short-term low prices for potatoes, a staple of the Polish diet, may allow the government more time to solve the economic problem by satisfying the demands of the urban workers for "reasonable" food prices.

²⁰⁷Stephen Engelberg, "Glut of Potatoes in Poland is Showing the Price of Change to Free Market," New York Times, 15 May 1990, 7.

²⁰⁸"Mazowiecki Call for 'Reconciliation' Cited," FBIS-EEU, 19 September 1989, 30.

²⁰⁹"POLITYKA on Evolving Political Alignments," FBIS-EEU, 30 March 1990, 47.

economic order.²¹⁰ Forty years of living in a socialist system has established a belief that the government ought to provide a cushion against an individual's hard times.²¹¹ Already there is recognition in some parts of Solidarity's leadership that the pace of economic change is running ahead of what the public will tolerate.²¹² To foresee all the problems created by the reforms was an impossible task, but Warsaw must be careful in beginning to alter the reform program.

3. Democratic Government Succeeds

This scenario is based on the ability of the Polish government to overcome the present economic difficulties. A rising standard of living will allow all of the political parties time to establish firm roots in the general population, creating the trust and confidence required for a pluralistic democracy. The twin dangers of time and impatience are overcome by tangible results before an explosion or desperation occurs.²¹³

²¹⁰Mort Rosenblum, "Rebuilding After Walls Come Down," San Jose Mercury News, 18 February 1990, 1-2E.

²¹¹"LE MONDE Interviews Mazowiecki on Plans," FBIS-EEU, 28 August 1989, 36.

²¹²Steven Greenhouse, "Slow Pace for Reform in East Bloc," New York Times, 29 January 1990, 1C.

²¹³"Mazowiecki on Threats to Democratization," FBIS-EEU, 6 October 1989, 64.

In this scenario, the SDRP adapts to democracy and forms a viable alternative to the right wing elements of the Solidarity coalition government. Solidarity evolves from a broad based trade union opposed to further communist rule, into valid political parties reflecting popular aspirations. The military high command is fully de-politicized and answerable to the President, becoming an institution to counter external, not internal threats, to the civilian leadership's authority.²⁴

This alternative does not necessarily imply economic prosperity, only a minimum standard of living to prevent the radical political elements from forming a credible platform and causing internal instability in Poland. The government is accountable to the population on major issues, preventing individuals from isolating their political power from society.

I. ANALYSIS SUMMARY

The three political scenarios presented and the issues analyzed will now be used to generate a hierarchy of possible developments within the Polish political arena. Each question was evaluated to determine its likely contribution to achieving the individual scenarios.

²⁴"Daily Examines National Defense Committee's Role," FBIS-EEU, 11 April 1990, 42.

1. Communist Impact

The rapid breakup of the PUWP into splinter parties with almost identical platforms demonstrates an unwillingness to accept the June election defeat by parts of the upper leadership. Without a relatively strong left wing, a democracy will be dominated by the right and could be unstable over the long term. If the communist party can reform into a viable opposition they will be most effective as a minority party in a full democracy. A limited democracy is the worst case for a minority party; the party will probably be blamed for any failure of government policy due to a lack of their support and will not receive credit for successful programs resulting from their parties platform.

2. Democratic Costs

The social and economic costs of establishing a democracy are steep and there is little indication that the Polish people will be willing to endure the austerity program required to establish the reform program already implemented. The endurance of Polish opposition to the communist system, represented in part by Solidarity's path to successful change, is an indication that the nation is willing to make some sacrifices to forge a democracy. Poland's poor political development between the wars combined with a poor performance relative to the other East Bloc nations, were the deciding factors in making instability more likely than full democracy.

3. Catholic Church

The Catholic Church as a conservative institution struggles to prevent the country from becoming politically unstable. If it has to the Church will develop into an opposition movement against a dictatorship that does not protect the rights of society, as it did under communist rule. A full democracy in Poland could weaken the Church's influence in internal affairs, or force the Church to give up some of its privileges and power; neither situation would be acceptable to the Church's leadership. The most desirable position for the Church would be a limited democracy that valued human rights, but did not interfere with the Church's special position in Polish society.

4. Soviet Influence

The Soviet Union does not want an unstable regime as a neighbor any more than the United States would. In a period of internal unrest in the USSR Gorbachev does not want Poland to sink into anarchy, providing his opposition with an example of the path along which the Soviet reforms might be heading. It is not likely that the USSR could get the majority of the Polish voters in a full democracy to embrace policies that are perceived as giving Moscow influence in Poland's internal affairs. A limited democracy would allow Soviet leaders the opportunity only to have to coopt a small portion of the Polish national leadership to achieve influence over Poland's internal affairs.

5. Japan/Europe

The Japanese and European nations do not want to see Poland degenerate into an unstable situation because it could jeopardize political reforms occurring in other East Bloc nations. Moreover, an unstable Poland would not be a very reliable market, and could not provide the return on investment required for business investment or guarantee a repayment of the already substantial foreign debt run up by the communists. A full democracy would allow Western governments to maximize their political influence by ensuring domestic support for the Polish government. A limited democracy would run the risk of being perceived as a trick on the Soviets part to get Western credits and technology without having to implement "real" political reform.

J. CONCLUSION

The most likely scenario under current conditions is for Poland to evolve into a limited democracy with a right wing orientation. The left wing will be unable to prevent the right wing leadership from taking steps to restore "social order" which will cost the Polish people some of their political rights. The Soviet Union and Catholic Church will press for this option to maximize the potential to influence the nations development along their preferred lines. Finally, the extreme cost of a full democracy is probably more than the Polish people can presently tolerate. The probability of an unstable political environment is a distant third, allowing

the West to continue to provide the present level of support without having to expect the worst case developing.

VI. CONCLUSION and POLICY RECOMMENDATIONS

The preceding five chapters have provided an analysis of Poland's historical, economic, political, and military development to provide the foundation for American foreign policy in Poland. Each of the chapters of analysis presented three possible scenarios, for a total of 27 different plausible outcomes for Poland in the next ten years when the areas are evaluated simultaneously.²¹⁵ The most critical issue for determining the most likely future for Poland in the coming decade is the economy's performance, followed by the political and then the military issues.

Using the analysis of the earlier chapters and the above weighing factor the three most likely scenarios are listed in Table 4 with the most likely listed first.

²¹⁵ Each of the three economic scenarios has three different military possibilities and each of the military scenarios has three political possibilities. Combining all of the possible mutations generates 3 (economic scenarios) X 3 (military scenarios) X 3 (political scenarios) = 27 possible alternatives.

TABLE 4:
OPTIONS FOR POLAND'S FUTURE

-
1. Economic Equilibrium, Military Alliance with the USSR, and Limited democratic Success.
 2. Economic Equilibrium, Militarily Neutral, and Limited Democratic Success.
 3. Economic Equilibrium, Military Alliance with the USSR, and Democratic Government Succeeds.
-

Any enduring success will be achieved by correlating issues to their genesis, and than attempting to solve the causes and not the symptoms of the problem. The following recommendations, while broken down into the topics of analysis used in the earlier chapters, have been developed while considering the potential impact on the other areas of analysis.

A. POLICY RECOMMENDATIONS

1. Economic

The common denominator of the three most likely scenarios is for Poland's economy to maintain its current level of performance while shifting to a free market. The disruptions caused by the free market system will counter-balance the positive effects from discarding the centrally planned economy. With the population expecting an immediate improvement in their living conditions following the change in government in August, Poland has the potential to be very unstable in the near-term.

The present international environment will not allow Poland to receive all of the economic assistance required to quickly overcome the debilitating effect of 45 years practicing Soviet economic theory. As the first country to replace their communist government Poland is the furthest down the path of implementing economic reform of the former Eastern Bloc nations. A failure in Poland could have a domino effect on the efforts to reform all of the centrally planned economies by given those elements opposing economic changes a showcase of where the reforms are heading.

The United States is in a position to drastically influence and direct Poland's near term economic future. With only a moderate increase in the present amount of financial assistance to Poland, the United States might be able to give the Polish economy enough of a boost to allow it to overcome the problems of converting to a free market system. I estimate that Poland will require \$750 million a year, above the already allotted programs, for the next ten years in financial assistance.²¹⁶

Economic assistance, either public or private, can alleviate the negative conditions presently in Poland. With the current national budget restrictions in Washington, it is not likely the Federal government can provide the bulk of

²¹⁶My estimate is based on the public statements of the Polish political leaders, both before and after the June 1989 elections, and the estimates of the costs for economically reunifying Germany.

Poland's economic requirements. Changes in the tax structure can be used to provide the economic incentive for business firms to investment private funds and surmount a shortage in public funding.

A second option is for the United States to concentrate almost all of its foreign assistance for Eastern Europe into a single country, i.e., Poland. If the limited American resources are spread evenly throughout the region, it will be insignificant in comparison to the problems, and fail to achieve American goals in the region. Washington cannot afford to spend limited resources without maximizing the potential future benefits, while simultaneously minimizing the costs.

America is in an unique position to direct and shape Poland's future, and hence, achieve U.S. national interests in the region at an affordable cost. As Lech Walesa pointed out in a speech to Congress:

. . . people in Poland link the name of the United States with freedom and democracy, with generosity and high-mindedness, with human friendship and friendly humanity.²¹⁷

If Poland can be successfully rejuvenated it will serve as a potentially strong and stable ally for the United States in a generally unstable part of the globe. The territorial size, strategic position, population strength, and cultural ties to the U.S. make Poland the most likely nation in Eastern Europe

²¹⁷Lech Walesa, "Poland," Vital Speeches, 15 December 1988, 132.

to have similar interests in the region. It would greatly enhance U.S. national interests to promote stability in Eastern Europe by economically assisting Poland during the next decade.

2. Military

A military alliance with the Soviet Union is probable in two of the three predicated scenarios for Poland. This is not acceptable to the United States because it would allow the Soviets to maintain a strong influence in Poland. The two major reasons for Warsaw to continue participating in a Warsaw Pact alliance are a military threat from a resurgent Germany and the financial cost of shifting into a Western military alliance. The U.S. is in a position to influence both conditions. Since one scenario already predicts a neutral Poland, the chances for preventing an Alliance with the USSR are possible even without American action.

In the coming decade it is reasonable to expect the American defense budget to contract if the perceived Soviet threat continues to diminish. A general troop draw down in Europe will give Washington a supply of redundant military equipment to be disposed. Reducing the costs of Poland shifting away from Soviet equipment supplies can be accomplished cheaply by giving or leasing Poland surplus U.S. equipment. Arm transfers may enhance the preparedness of a friendly Poland by providing it with the means to defend

itself.²¹⁸ Using the multilateral assistance initiative to complement the implementation of economic restructuring would produce a positive response from the developing Polish private sector.²¹⁹

A second method for reducing Soviet influence is to promote the realignment of the Ministry of Defense away from Communist control and into the Sejm's dominion. Political control of the armed forces will force the military to compete directly against social and economic programs for limited funding. If the democratic process functions tolerably well, the military will see a immediate decrease in their ability to influence the political budgetary process. This could shift the military hierarchy strongly toward neutrality and even make an alliance with the U.S. possible.

3. Political

Given the strength of the factors presented in this analysis, the only practical area for U.S. policy to prosper would be in helping Poland pay the social and economic costs of establishing a democratic system with a market economy. We should not minimize the difficulties, nor be overly optimistic. As this analysis has indicated for Poland to

²¹⁸John H. Eisenhower, "Offsets in Military Exports: U.S. Government Policy," DISAM Journal, Fall 1989, 27.

²¹⁹James A. Baker III, "Multilateral Assistance Initiative for the Philippines," DISAM Journal, Fall 1989, 20.

develop into a full democracy will require a long-term commitment to overcome the problems inherited from four decades of Communist leadership.

Poland will require political guidance and information based on Western experience to ease the transformation into a working democracy. Having lived under a dictatorship of one kind or another for the last 64 years, there is little actual experience in Poland on how to operate a democracy. Solidarity has sent representatives to the U.S. Congress to study the American system and President Bush has announced his hope to export America's experiences to Eastern Europe.²²⁰ The democracy that emerges in Poland will not be a copy of the American system, but will ensure that the nation's officials are held directly accountable in open elections for their actions.

A second option for increasing the probability of Poland's developing a democratic political system is either to convince the USSR and the Catholic Church to willingly support full democracy or to minimize the bureaucratic influence of these two institutions. The option has a limited chance of success since it would effectively bypass the Polish population, and in any event, would not develop a widespread and semi-permanent change in perception or attitude among the

²²⁰James Gerstenzang, "Bush Announces 'Democracy Corps' for Eastern Europe," Monterey Herald, 13 March 1990, 3; Patricia Edmonds, "Solidarity Members to Study Congress," San Jose Mercury News, 10 February 1990, 8.

leadership of the Church or USSR. Nevertheless as a diplomatic, not economic policy, this option could conceivably be cheaper to achieve in the long run than foreign aid.

B. CONCLUSION

One of the goals of this thesis was to determine if Poland had the potential to establish a full democracy with a free market with limited U.S. assistance. The research and analysis presented here suggests that it is realistically possible to achieve this objective. Similar studies on alternative East Bloc nations should be undertaken to ensure the United States selects the country offering the highest probability of success with the minimum expenditure of American resources.

It is critical to acknowledge that the expansion of freedom and democracy might be illusory if Poland remains poverty stricken.²²¹ A failure in Poland, the leader of the Eastern Bloc's movement towards political freedom, might cause a rippling effect throughout the region. Democracy may be impossible to achieve with small measured steps, requiring an abrupt break with the past system to be successfully reached. If the United States' objective of establishing democracies throughout Eastern Europe is to be reached a well defined and completely thought out policy must be implemented.

²²¹"Miodowicz Speaks on Trade Union Issues, FBIS-EEU, 6 July 1989, 51.

Only the United States is strong enough and does not carry the historical baggage of abandoning Poland during Warsaw's time of greatest need. The historical legacy left by the massive Polish emigration to the United States around the turn of the twentieth century has created a strong emotional attachment between the two nations. With a Polish minority of almost nine million, the United States is in a position to develop strong ties with the new Solidarity led Polish government.

This analysis indicates the historical development of Poland has created an economic, military, and political environment that could support an American policy of decreasing Soviet influence in the region. However, any policy implemented will have to be sensitive to Polish nationalism and work with the elected Polish government to be successful.

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